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# ***JPRS Report***

## **Near East & South Asia**

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# Near East & South Asia

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5 May 1993

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## REGIONAL AFFAIRS

### 'Abd-al-Majid Calls for Logic in Talks

93AF0495A London AL-HAYAH in Arabic 5 Apr 93 p 3

[Interview with Arab League Secretary General 'Ismat 'Abd-al-Majid by Bari'ah 'Ilm-al-Din in London; date not given]

[Text] Arab League Secretary General 'Ismat 'Abd-al-Majid called for logic and reason in dealing with the problem of the Palestinians who have been expelled [by Israel] to Marj al-Zuhur, international resolutions regarding Libya and the Lockerbie incident, and the concerns and worries of the Middle East.

In an interview with AL-HAYAH in London, 'Abd-al-Majid underscored the importance of stepped up efforts to solve all problems for the sake of continuing the peace negotiations in Washington and averting heightened tension and destabilizing factors in the Middle East.

He emphasized that Resolution 799 requires Israel to return the deportees, and said that "a double standard is rejected." He said he believes that the problem of the deportees can be solved and that "no opportunity for (Arab-Israeli) negotiations should be lost."

He declared that any increase in the severity of sanctions against Libya "damages the Western countries and Arab countries such as Egypt and Tunisia." He emphasized that "Iran has interests in the Gulf region, but we reject the method of hegemony and dreams of expansion."

The following is the text of the interview, which was conducted in the Arab League's offices in London in the presence of Ghayth (Arminazi), the Arab League representative in Britain, and Ambassador Ahmad 'Adil:

['Ilm-al-Din] On 18 April, the league will hold its 92d conference to study pressing problems and situations. What are the most important of these problems?

['Abd-al-Majid] The meeting, which rounds out the session of last March, will be convened at the level of foreign ministers under Morocco's chairmanship. It is being held under critical, delicate circumstances. I sincerely hope that it will be preceded by the crystallization of many matters and clear positions regarding the peace process, negotiations, the problem of the deportees, and everything that concerns the region and is a source of concern for Arab public opinion. I hope that the Arab foreign ministers will formulate the broad lines of an Arab position in the next phase. The agenda for a conference at this level will include, in addition to the issues that I mentioned, other important subjects, including the Arab-European dialogue; developments regarding the Palestinian problem; Arab economic cooperation; and issues related to social activities, the role of women, and the human rights conference that will be held this June in Vienna.

['Ilm-al-Din] Will the Arab foreign ministers conference be held in Rabat?

['Abd-al-Majid] Morocco has asked to hold the conference in Rabat. However, a final decision in this regard was not

made at the league's meeting held last month. The latest information that I have indicates that the foreign ministers conference will be held in Cairo and will be completed in Rabat.

['Ilm-al-Din] What is the status of efforts to solve the problem of the deportees? What were the circumstances that compelled you to cancel your visit to the deportees in Marj al-Zuhur in southern Lebanon?

['Abd-al-Majid] Perhaps I can now discuss this problem candidly. When the problem of the deportees arose, I felt it was my duty to visit them to fulfill a personal desire and to respond to the sentiments of Arab public opinion. I entrusted Ambassador Ahmad 'Adil to travel secretly to Beirut and meet with Prime Minister Rafiq al-Hariri and Foreign Minister Faris Buwayz to inform them of my desire and to ask them whether I could make this visit. I told him to emphasize to senior Lebanese officials that I would think nothing of it if they were compelled for their own reasons to disregard the visit and that I was interested in undertaking this mission regardless of the deportees' affiliation. Prime Minister al-Hariri responded positively. He agreed to the visit pursuant to arrangements that we would establish in subsequent contacts.

Ambassador Ahmad 'Adil returned to Beirut to discuss the arrangements. I decided after his return to announce that I would visit the deportees. I would not have done so if I had not obtained a green light, because I adhere to political and diplomatic principles.

It seems that new circumstances of which I was unaware led to a change in the situation. Prime Minister al-Hariri contacted me and asked that I postpone the visit for a short period. I consider that Lebanon's right. Therefore, I canceled the visit because I did not wish to complicate matters for anyone. I will visit Lebanon, God willing. I will review the idea of visiting the deportees in Marj al-Zuhur at the appropriate time. There is no problem. I discussed this matter with Prime Minister al-Hariri when we met in Cairo.

['Ilm-al-Din] What about developments regarding the problem of the deportees?

['Abd-al-Majid] We all know that UN Resolution No. 799 was issued unanimously. This resolution, which the United Nations is responsible for implementing, requires Israel to return the deportees. It is absolutely binding in the same way that other UN resolutions that have been implemented regarding other problems are binding. It is impermissible for a resolution to be binding in one place and not binding elsewhere. We reject a double standard. My personal assessment regarding the deportees is that [Israeli Prime Minister] Yitzhaq Rabin erred in his calculations when he decided to expel them. He thought that Lebanon would accept them. He was surprised by Lebanon's resolute decision to refuse to accept them. He has fallen, and caused everyone to fall, into the dilemma that we are now facing. The region is approaching the resumption of Arab-Israeli negotiations on 20 April. These negotiations are very important for everyone. We must not lose this opportunity, which is an opportunity for everyone. I do not

know how one could imagine the possibility of a delegation representing the Palestinians going to negotiations with the Israelis while the deportees are still in Marj al-Zuhur and the problem remains unsolved.

Logic, reason, and fairness dictate that efforts first be made to solve the problem of the expelees to enable the resumption of negotiations with the Palestinian delegation's participation. I hope that we will reach a solution within a few days that will eliminate the obstacles blocking the path to negotiations and that will ensure the Palestinians' consent to participate in the negotiations in Washington. They are certainly the masters of their own decisionmaking. The problem has become one of principle, and of respect for the resolutions of international legitimacy and for the importance of the peace process, which is vital to the entire region, not just the Arabs.

Hence, everyone must make every effort to remove the obstacles and solve the problem of the deportees to ensure the resumption of peace negotiations on 20 April.

[Ilm-al-Din] Given Israel's rejection of Resolution 799, what proposals do you deem appropriate to solve this problem?

[Abd-al-Majid] Numerous parties are making serious, sincere attempts to solve this difficult equation. I believe that it is possible to arrive at an acceptable solution which satisfies all of the parties, meaning that it is possible to arrive at a formula which satisfies the two parties based on the principle of going back to implementing Resolution 799 and resuming the peace process.

[Ilm-al-Din] How accurate are reports that the Palestinians may agree to a temporary solution providing for the return of some deportees?

[Abd-al-Majid] There are [different] types of solutions. There is development regarding the examination of each of them. This is attributed to the parties moving away from their previous inflexibility and to their shared desire to resume the peace process.

[Ilm-al-Din] Your remarks are cause for optimism. Are there grounds for this optimism? Have you obtained anything new from President Husni Mubarak in this regard?

[Abd-al-Majid] Sincere, dedicated efforts are being made. The problem is not one of opinions and stipulations which must be imposed on one party or another. Rather, it is one of realistic treatment to solve the thorny problems and avoid impossibilities that, if adhered to, would only lead to the loss of the possible.

[Ilm-al-Din] How far have you gone in your efforts to solve the problem of Libya and the West, which stems from the Lockerbie incident? Are there new proposals for a settlement?

[Abd-al-Majid] The Libyan problem is very difficult and complex. I have been aware of all of the difficulties since I began dealing with them. At the same time, I believe that some way must be found to reach a settlement based on acceptable foundations that are not detrimental to Libya.

A plane exploded. There are victims and losses. Compensation must be paid to the victims' families if the charge is proven. Libya has agreed to do so if the charge is proven by a neutral court. This court would discuss the facts and presumptions without it or another party intending to threaten or try the Libyan regime.

[Ilm-al-Din] Have the Western countries agreed to this idea?

[Abd-al-Majid] We are dealing with the West from a position of friendship based on logic and a desire for mutual understanding and cooperation. We tell the Western countries that, logically, an escalation of the sanctions against Libya at this time would serve no one. On the contrary, it would damage numerous European countries that need Libyan oil and numerous Arab countries, such as Egypt and Tunisia, which were damaged initially by the air embargo imposed on Libya.

The entire region cannot tolerate additional sanctions, obstacles, and problems. It is already suffering enough. It would be unwise to add new sanctions and burdens, such as an escalation of the sanctions. Such a move would make it difficult for the region to achieve the goals that the Western countries behind them have in mind, especially because everyone is ready to resume the Arab-Israeli peace process.

The ministerial committee—whose seven members, the foreign ministers of the five Arab Maghreb countries, Egypt, and Syria, met in Tunisia two weeks ago—authorized me to contact the UN secretary general and the chairman and members of the Security Council to discuss this subject with them. I will meet with Dr. Butrus Ghali Saturday in London. I will then travel to New York to continue contacts and efforts, which are based on logic and dialogue, to avoid the risks of escalating the sanctions against Libya, notwithstanding my recognition of the difficulty of the problem.

It is unreasonable in customary law to require a state to extradite its subjects to another state for trial. Why are we seeking sanctions and obstacles that will not lead to any solution? Why don't we make efforts to solve our problems by legal means and using accepted formulas?

[Ilm-al-Din] Do you believe that you will be able to convince the Western countries of this logic?

[Abd-al-Majid] Frankly, it is possible and conceivable. However, I cannot guarantee its success. We must try. Success is granted by God. The Western countries recently declared that they are not targeting the Libyan Government and only wish to try the accused. I hope that we will arrive at a suitable solution through dialogue.

[Ilm-al-Din] Do you have nay proof that the Western countries are seeking to overthrow the Libyan regime?

[Abd-al-Majid] No, I have no such proof, even if some conclusions are disposed toward this thinking. The British foreign minister (Douglas Hurd) recently denied that his country is contemplating action to overthrow the Libyan regime.

[Ilm-al-Din] There is a growing uproar over the fate of the Kuwaiti prisoners in Iraq. Iraq denies and Kuwait confirms that Iraq is detaining Kuwaitis. What information do you have, and what have your efforts achieved, in this regard?

[Abd-al-Majid] In the League, we have devoted the bulk of our concern to this humanitarian problem. I assigned the league's assistant secretary general, 'Abdallah Adam, to visit Kuwait and Iraq to discuss this subject. I then asked Rashid Idris, an outstanding Tunisian figure, to visit the two countries. Ten days ago, we met and examined documents and evidence submitted to us by Kuwait, including official papers bearing the Iraqi seal that prove the Iraqis' imprisonment of Kuwaitis. We forwarded these documents to the Iraqi Government, which formed a commission headed by a senior official to study them and respond to their contents. To date, we have not had a response from them.

I believe that it is in the Iraqi brothers' interest to put a conclusive end to this matter, the way of which is filled with thorns and mines.

[Ilm-al-Din] How do you view the "state of war" that exists between several governments and the fundamentalists? How should it be dealt with? What is the League's position in this regard?

[Abd-al-Majid] I would not call what is happening a war. That is a media term that you journalists are using. I would say that there exists an unnatural phenomenon called extremism. The Arab League does not have a position on this problem. My personal opinion is that this phenomenon has political, economic, and social—but not religious—causes. The political causes, in the case of the situation of residents in the Arab occupied territories for example, stem from Israel's oppression, the continued occupation, usurpation of legitimate rights, and the closure of the Palestinian people's windows of hope. The economic reasons stem from unemployment, stagnation, and poverty, which compel youths to rebel and fall, like precious prey, into the hands of extremist movements. The social reasons stem from the large disparity between classes and the shortage of medical, educational, and basic services.

Islam is not a religion of violence. It is a religion of love, charity, peace, tolerance, and respect for other revealed religions.

Yesterday, I participated in a Christian-Islamic conference in Vienna. At this conference, it was said, among other things, that Islam is innocent of all of the charges that Western campaigns are attempting to level against it. Religion does not permit aggression at all. We reject aggression; we do not commit aggression. Religion has no connection to what is happening in some countries, because one who is familiar with his religion's principles does not kill innocent persons or spread havoc.

When some in the West say that what is happening is Islamic extremism, what is their opinion regarding the Serbs' extremism in Bosnia-Herzegovina? Why don't they call it Orthodox extremism?

The Vienna conference was held at the appropriate time, because it came in response to the charge that Islam is as an extremist religion. The statement made by a representative of the French Christians in Algeria, to the effect that Muslims were the ones who saved the lives of the French from the extremists in Algeria, is, I believe, the best response to the charge that Islam is extremist.

[Ilm-al-Din] David Gore-Booth, Britain's new ambassador to the Kingdom of Saudi Arabia, maintains that the Islamic countries are responsible for correcting Islam's image in the West. What is your opinion?

[Abd-al-Majid] I agree with the opinion of Ambassador Gore-Booth. Our participation at the Vienna conference is a step in this direction. In my remarks at the conference, I said that the Kingdom of Saudi Arabia and Egypt are making efforts in this direction to respond to the erroneous attacks against Islam, and that our participation in the conference is a part of a general campaign which we intend to pursue in response to the attacks and lies.

Today, I read in one of the newspapers that U.S. Secretary of State Warren Christopher said that his country is not against Islam. That is one result of the campaign of correction, which we must develop further.

[Ilm-al-Din] But how can the growth of extremist fundamentalism be contained internally?

[Abd-al-Majid] As Arab and Islamic countries, we must remedy the problems that the extremists are exploiting. We must raise these problems for academic and media discussions, and we must find solutions to them. What is happening in Egypt, for example, is no doubt being exaggerated in the Western world. Is the intent, for example, to damage Arabs and Muslims, or is it a type of incitement? Who benefits from the attacks against tourism in Egypt? Does Israel or another party benefit from them?

[Ilm-al-Din] Some stress that Israel benefits from what causes suffering to Egypt and Iran.

[Abd-al-Majid] We must recognize and strive to remedy our problems. Iran is well-known for its activity, not only in the region, but also in other countries, such as Italy and France. In Iran they believe that true Islam is the Islam that they are striving to propagate, and there are constant attempts to impose specific schools. We must resist these methods.

I have a weak spot for the Damascus declaration because I signed it as Egypt's representative in my capacity as deputy prime minister and foreign minister in 1991. I still believe that the declaration is a basic foundation for limited Arab cooperation between the countries of the Arab family, in view of its link with the Arab League Charter. I believe that this document contains a method of cooperation which is not directed against anyone.

The Damascus declaration and its basic concept contain no shortcoming. As a text and concept that developed after the Gulf war experience, it is not directed against anyone, nor must it be directed against anyone. A country such as Iran should not view the declaration as being detrimental

to it. The Arab countries' resistance stems from their positions with regard to these countries, with or without the Damascus Declaration, inasmuch as it has been established that they have ambitions in the region, as indicated by the confrontation that occurred in the crisis of the islands in the United Arab Emirates.

We understand that Iran has interests as a state in the Gulf. However, we reject the method of hegemony and dreams of expansion at our expense.

### Monetary Fund Meeting Faces Funding Crisis

93AE0462 London AL-HAYAH in Arabic 10, 12 Apr 93

[Report from Damascus: "AL-HAYAH Obtains Advance Copy of Report Before It Is Submitted to Arab Finance Ministers' Meeting: Full Text of Arab Monetary Fund Report on Late Loans"]

[10 Apr p 13]

[Text] Arab Monetary Fund governors (Arab finance ministers) are to meet in Damascus 14 April to discuss fund management contacts and actions to deal with the problem of late debt service by [nonperforming loans to] Sudan, Iraq, Somalia, and Mauritania.

AL-HAYAH obtained a copy of the report that will be submitted to the fund governors for discussion. The following is the text of this report:

Certain member states have, since the beginning of 1984, delayed payments of principal and interest installments due on loans they borrowed from the fund. The problem has worsened of late. The number of nonpaying nations has increased, and the amount of overdue payments has grown to the point of being a serious burden on fund resources and a major obstacle to its ability to function, especially in the areas of lending and supporting economic reform programs in a number of the member-states eligible to borrow.

An obvious impact of this problem has been the freezing of a major segment of resources that could have been utilized for lending. Overdue payments amounted to about 147 million Arab dinar units of account [ADUA] by the end of 1992, which accounts for nearly 46 percent of gross fund capital paid in convertible currencies.

The gravity of this phenomenon has prompted fund management to initiate early in 1992 a comprehensive study of the various aspects and dimensions of the problem and the negative impact it has on the fund's financial position and consequently on its ability to perform its primary function of lending to and supporting those member-states that qualify. The study also covered the steps and actions taken to deal with the problem and made it clear that fund management and board of directors have exhausted all the ways and means available to them under the fund charter, established lending procedures, and the resolutions adopted by the fund's Council of Executive Directors as part of the effort to deal with this problem and contain it.

The fund's council of Executive Directors reached a number of resolutions based on the aforementioned study

and decided to bring the matter to the attention of the esteemed Board of Governors for whatever action it deemed necessary. The Board of Governors consequently issued Resolution No. 7 of 1992, which:

- Authorizes the Board of Governors chairman, assisted by the general manager of the fund [and] the chairman of the Council of Executive Directors [as published], in compliance with Paragraph B of Article 37 of the charter, to initiate contacts with officials of the countries concerned for a period not to exceed six months for the purpose of reaching understanding and agreement on practical measures for their immediate fulfillment of overdue obligations in accordance with timetables to be negotiated for the full payment of all past due amounts no later than 18 months from the expiration of the above-mentioned.
- Should those contacts and efforts produce no positive result within the time span specified in the preceding Paragraph 1, then action under Article 37a and 38 of the fund charter shall be taken against the country or countries that remain unresponsive to such efforts.
- When considering new loan applications, the fund's management and its Council of Executive Directors shall exercise greater care in ascertaining member-applicants ability to service the loan on time in accordance with fund lending regulations as stipulated by Paragraph 3a of Article 20 of the charter.

In compliance with the above-mentioned resolution, the Board of Governors' chairman, in coordination with the general manager chairman of the fund's Board of Directors, sent registered letters on 21 June 1992 to the governors from the four countries concerned—the Sudan, Somalia, Iraq, and Mauritania—asking them to advise the fund on how they propose to settle their past-due obligations to the fund within the time span specified in the Resolution. Fund management also initiated several telephone calls, letters, and personal contacts with officials of the four countries urging settlement of the overdue amounts in compliance with the Board of Governors Resolution.

Action taken in that regard may be summarized as follows:

#### Sudan

Sudan has been utilizing Fund resources since 1978 when it received its first [routine] loan in the amount of 1.875 million ADUA. Other loans followed, for a total of 10 fund loans to support the Sudanese economy in the amount of 41.485 million ADUA, or the equivalent of \$172.8 million.

Sudan stopped paying its obligations to the fund in March 1984. Payments in arrears, including late interest [penalties], amounted by the end of 1992 to 56,524,823 ADUA (about \$ 235.5 million), or approximately 577 percent of Sudan's share of fund capital paid in convertible currencies.

The focus of fund contacts with Sudanese authorities since the second half of 1989 has been to achieve an acceptable settlement of those accumulated arrears.

In this regard, the general manager and chairman of the Board of Directors visited Sudan on 10 and 11 January 1990 to impress upon Sudanese officials the importance of reaching a satisfactory resolution to the problem. During his visit, Sudanese officials expressed willingness to cooperate with the fund toward such a settlement and made a goodwill gesture by paying \$3 million of the arrears due.

But subsequent fund meetings and contacts with Sudanese authorities in order to settle the arrears proved unfruitful. The general manager chairman of the Board of Directors discussed the issue with Sudanese officials at the March 1990 annual meeting of joint Arab financial institutions, then followed on 29 July 1990 with a letter to the minister of finance in which he proposed sending a consultative delegation to evaluate economic conditions, reach an understanding on a program for economic reform, and discuss measures for settling the arrears. There was no response, however, either to this proposal or to two other letters sent as reminders on 6 November 1990 and 10 April 1991. The Bank of Sudan governor was verbally approached on the subject while in Rome in November 1991 for a seminar sponsored by the Association of Arab Banks. He promised to look into the matter and to answer fund correspondence immediately upon his return to the Sudan, but the fund has yet to have the pleasure of a reply.

**List of Fund Loans to the Republic of Sudan**

Type of Loan	Contract Date	Amount (in millions of ADUA)
First routine	16 August 1978	1.875
Second routine	29 September 1979	1.875
Third routine	15 December 1981	1.875
Fourth routine	3 May 1982	3.600
Fifth routine	28 March 1983	1.875
First extended	18 October 1979	11.250
Second extended	25 March 1982	5.000
Third extended	29 March 1984	4.335
First compensatory	10 November 1980	5.000
Second compensatory	2 March 1983	4.800
Total		41.485

Following the Board of Governors Resolution No. 7 of 1992—which authorized the chairman of the Board of Directors to initiate contacts and enter into agreements with each of the [delinquent] nations on practical measures to immediately begin paying its arrears in accordance with negotiated timetables to settle all overdue amounts within 18 months from the expiration of the above-mentioned term—the fund kept in touch with the Sudanese authorities in order to implement the resolution. In that context, the Board of Governors chairman addressed the issue in a letter to the minister of finance and economic planning, who is also a fund governor from Sudan. The letter, dated 21 June 1992, asked Sudanese authorities to advise the fund on the repayment manner and schedule to settle their arrears in accordance with a negotiated timetable within

the time period specified in the aforementioned Board of Governors resolution. The fund has received no response from Sudanese authorities to that letter.

In another development prompted by interest in maintaining contact with the IMF [International Monetary Fund] and in keeping abreast of developments in its relations with Sudan, the fund accepted an invitation by Sudanese authorities to have a fund representative sit in on IMF-Sudanese consultative meetings held in the 15 to 22 June 1992 period to discuss Sudan's economic policies and the corrective measures it initiated in early 1992.

The fund also received a letter dated 10 August 1992 from the IMF managing director. The letter contained a summary of the IMF Executive Directors Council's discussions of economic developments in Sudan. In view of that, the general manager and chairman of the board sent the Sudanese Minister of Finance and Economic Planning a letter dated 31 August 1992 in which he expressed hope that on-going talks with the IMF for a program to implement economic reform policies in Sudan would pave the way for realistic measures and an appropriate timetable to settle Sudan's overdue payments to the Arab Fund in the manner stated in the aforementioned letter from the chairman of the Board of Governors.

On 6 September of the same year, in conjunction with the Abu Dhabi meeting of the governors of Arab central banks and monetary institutions, a meeting was held at fund offices between the general manager and chairman of the Board of Directors and the deputy governor of the Bank of Sudan. The purpose of the meeting was to discuss the arrears problem. The general manager and chairman of the board of directors pointed to the fund's past assistance to Sudan and the efforts it made to resolve this problem. He explained that in view of Board of Governors Resolution No. 7 of 1992, the matter had gone beyond the control of fund management and that an initiative by Sudan was called for. He emphasized that such an initiative must precede the deadline set by the Board of Governors Resolution of 15 October 1992. The Bank of Sudan deputy governor pledged that he would relay the gist of the meeting to Sudanese officials and that he would recommend that they continue the talks in Washington at the joint World Bank-IMF annual meeting later in 1992.

Indeed, the general manager and chairman of the board of directors met in Washington on 23 September with the Sudanese minister of finance and economic planning and discussed the arrears issue. The Sudanese minister expressed the willingness of Sudanese authorities to explore possible solutions to the problem and their desire to host a delegation from the fund in order to reach agreement on the mechanics of a settlement and the details of repayment, as well as evaluate economic conditions, reform measures, and Sudan's ability to service its debt.

In his reply to the Sudanese minister, the general manager and chairman of the Board of Directors pointed out that the fund would be willing to grant [Sudan's] request for a delegation from the fund provided there was a reasonable chance of resolving the arrears problem. Sudan was to

indicate its goodwill by repaying an appropriate sum before the 15 Oct 1992 deadline that was set by the Board of Governors Resolution.

Sudanese authorities reiterated their request for a fund delegation in a letter the fund received on 10 October 1992. In the letter, the minister of finance and economic planning said that the Sudanese authorities would diligently seek full resolution of the problem.

As a result, the fund promptly dispatched a delegation to Sudan from 12 to 15 October 1992 to discuss with Sudanese authorities measures to settle accumulated Sudanese arrears in accordance with the Board of Governors Resolution. During their meetings with the fund's delegation, the Sudanese reiterated their commitment to the Board of Governors Resolution No. 7 of 1992 and their determination to reach an agreement on the arrears problem. They added, however, that the situation called for unorthodox measures and for open-mindedness and flexibility in devising practical solutions that would be tenable under prevailing conditions in Sudan. He went on to say that since impossible at that point in time to comply with the Board of Governors demand that the arrears be fully settled within 18 months, the Sudanese therefore proposed a freeze on their arrears at their current level.

In that connection, the Sudanese drew attention to their OPEC debt settlement, which calls for paying monthly installments at the same time that they draw down on new loans. They wondered if Sudan could benefit by that settlement and could use part of those resources to pay down a portion of arrears to the fund. They also put forth the following proposals:

- Sudan, rather than the funding organization, would pay for local purchases and expenses articulated in its loan contracts, thereby defraying a portion of the arrears.
- Make it possible for Sudan to get a loan under the Arab Trade Funding Program in order to finance its exports and utilize the returns on those exports to pay down some of the arrears.
- Ask the Council of Executive Directors to consider the possibility of raising credit ceilings in order to ward off the accumulation of payments due from [delinquent] countries.
- Create a consultative group for Sudan composed only of Arab countries. The function of this group would be to seek out assistance and resources that would enable Sudan to settle its arrears to the fund.

The fund's delegation, on its part, articulated the fund's desire to assist Sudan by all possible means allowed under its charter and bylaws and went on to enumerate its past meetings and contacts with Sudanese authorities in the quest for a solution to the arrears problem. The delegation further pointed out that Board of Governors Resolution No. 7 has put the matter beyond the control of fund management and, consequently, restricted the delegation's primary function to reaching agreement on a payment timetable under the provisions of said resolution.

The delegation also remarked on the Sudanese proposals as follows:

- On the possibility of making additional fund resources available to the Sudan, established credit policies do not allow new loans to countries whose payments to the fund are past due.
- On the matter of freezing the arrears at their current level, much in the same manner as [Sudan has requested of] the IMF, the delegation pointed out that as far as the Arab Monetary Fund was concerned, all loans and the interest on them have been past due for a while and are therefore considered arrears that accrue late interest. In any case, late interest must be paid before arrears can be frozen.
- As for the exclusion of late interest from the total amount due, the delegation pointed out that its practices are dictated by the policies set by the Board of Governors and spelled out in loan contracts with the recipient countries. Voiding those practices would be a violation of policy and would encourage other borrowers to default on their payments.
- On Sudan's experience with the OPEC Fund, the delegation pointed out that the fund has in the past tried a similar tack with Sudan and other countries with arrears problems but that the results were spotty because fund loans, by their nature, are different from credit for development projects. Furthermore, the overdue amounts owed the fund far exceed the amount of any new loan the fund could offer.
- It would not be practical to consider raising credit ceilings, the delegation explained, because of current pressure on fund resources, the increasing number of member-state requests [for loans], and because the resources available for lending have been shrinking as a result of the worsening arrears problem.
- As for the possibility of creating an Arab Consultative Group to assist the Sudan, the delegation sufficed to say that membership of such a group would not be different from the membership of Arab countries in other international consultative groups [whose meetings] are regularly attended by the fund.

It was apparent during those discussions that the Sudanese authorities had no specific proposals in mind to settle the arrears in line with the stipulations of Board of Governors Resolution No. 7 of 1992 and of the fund's charter and bylaws. Furthermore, the fund has yet to receive the new proposals that the Sudanese pledged to send the fund, as evidenced by the approved minutes of the fund delegation's visit to Sudan from 12 to 15 October 1992.

The 83rd meeting of the Council of Executive Directors, held on 30 December 1992, was apprised of the contacts and actions taken by fund management in connection with the arrears owed by Sudan and other nations.

In light of the above, and in accordance with the stipulations of Board of Governors Resolution No. 7 of 1992, the Board of Governors chairman sent a letter dated 18 February 1993 to the fund's governor from Sudan. The letter explained that because the six-month deadline set by the Board of Governors Resolution to explore how the



Sudanese Government proposed to settle its debts [to the fund] had expired on 15 October 1992 without an agreement on a timetable to pay down the overdue funds within 18 months from the expiration of that period, he was sorry to inform the governor that the stipulations of Paragraph 2 of Board of Governor's Resolution No. 7 has become applicable to Sudan as of 15 October 1992. The letter from the Board of Governors chairman expressed hope that the reasons underlying that decision would soon dissipate.

It is to be pointed out that total Sudanese arrears, including late interest, will amount by the end of March 1993 to 57,318,098 ADUA (about \$238 million), which is the equivalent of about 585 percent of Sudan's share of Fund capital paid in convertible currencies.

[12 Apr p 11]

[Text] Arab Monetary Fund governors (Arab finance ministers) are to meet on 14 April in Damascus to discuss fund management contacts and actions to deal with the debt service problems of the Sudan, Iraq, Somalia, and Mauritania.

AL-HAYAH obtained a copy of the report that will be submitted for discussion to Fund governors. The first segment of that report was published yesterday. The second part follows:

Iraq has been utilizing fund resource since February 1993 when it received its first routine loan in the amount of 27.93 [million] ADUA. The fund has so far supported the Iraqi economy with six loans totaling 132.71 million ADUA or about \$553 million.

Iraqi arrears began to accumulate continually since December 1989. All loans to Iraq, and the interest on them, have become past due and subject to late interest as of 24 March 1992, which is the due date for the fourth installment of the fourth routine loan to Iraq. The arrears, including late interest, amounted by the end of last December to 59,537,455 ADUA (about \$248 million) or about 143 percent of Iraq's share of fund capital paid in convertible currencies.

List of Fund Loans to Iraq		
Type of Loan	Contract Date	Amount (in millions of ADUA)
First routine	5 February 1983	27.930
Second routine	25 December 1985	27.930
Third routine	27 December 1988	27.930
Fourth routine	23 March 1989	3.300
Trade facilities	18 June 1987	18.620
Compensatory loan	13 September 1983	27.000
Total		132.710

It should be noted that Iraqi authorities did pay the interest that was due in June 1990, but no late interest or principal payments were made. This prompted the general manager and chairman of the board of directors to write the acting finance minister of Iraq, who is the fund's

governor from the Republic of Iraq, a letter dated 24 March 1990 urging the payment of remaining arrears which amounted on that date to 4,750,695 ADUA. The [Iraqi] governor responded on 2 April 1990 with a telex pledging to settle the arrears and requesting a decision on Iraq's request for an additional routine loan. Iraqi arrears have grown with the arrival of more due dates for servicing Iraqi debt to the fund and as late interest has continued to accumulate. The fund has been constantly urging Iraqi officials to settle the arrears. The general manager and chairman of the board of directors and the fund's finance department sent letters reminding Iraq of the due dates for principal and new interest payments, but since the Gulf crisis erupted in August 1990, Iraqi responses to fund correspondence on the arrears primarily have advanced the argument that the international boycott of Iraq and the freezing of its assets do not allow it to settle its arrears but that they [Iraqi officials] will consider fulfilling their obligations to the fund once those restrictions are lifted.

Following the Board of Governors Resolution No. 7 of 1992 on arrears, the chairman of the Board of Governors informed the Iraqi minister of finance, who is also the Fund's governor from Iraq, of the resolution in a letter dated 21 June 1992. In the letter, he asked Iraq to let the fund know how it proposed to settle its arrears within the time specified by the resolution. The fund had not received a reply by the 15 October 1992 deadline. More than a month later, Iraq sent a telex proposing that a delegation be sent to Iraq to discuss the arrears. Since the deadline set by Board of Directors Resolution No. 7 of 1992 to reach an understanding and agreement on a timetable for the full settlement of arrears expired on 15 October 1992, the chairman of the Board of Governors sent the fund's governor from Iraq a letter dated 18 February 1993 in which he explained that Paragraph 2 of the aforementioned Board of Governors resolution had become applicable to Iraq as of 15 October 1992 and expressed hope that the reasons underlying that resolution would dissipate.

It should be noted that aggregate Iraqi arrears, including late interest, amounted by the end of last March to 60,565,377 ADUA (about \$251.5 million) which accounts for about 145 percent of Iraq's contribution to fund capital paid in convertible currencies.

#### Somalia

Somalia began utilizing fund loans in 1980 and has since received four Fund loans totaling 17.81 million ADUA (about \$71.7 million).

No Somali payments to the fund have been made since the end of February 1984. Arrears for principal, interest, and late interest have continued to accumulate and amounted by the end of last December to 27,445,012 ADUA (about \$114.3 million), including late interest. The arrears therefore account for about 700 percent of Somalia's share of fund capital paid in convertible currencies.

The fund made several initiatives over the past few years and wrote several letters to relevant Somali authorities in

order to resolve this problem. Successive fund administrations made sure to meet with Somali officials at annual fund meetings, and on other occasions, to urge them to settle the arrears. The head of the fund's Division of Operations and Programs also went to Somalia in October 1987 with an Arab Funds Group delegation to discuss delinquent Somali payments to those funds.

**List of Fund Loans to Somalia**

Type of Loan	Contract Date	Amount (in millions of ADUA)
First routine	14 June 1980	1.500
Second routine	20 August 1981	1.440
Third routine	1 February 1984	1.500
Extended	20 August 1981	12.740
Total		17.180

The general manager and chairman of the board of directors discussed this problem in a meeting in May 1990 with the IMF's Italian executive director, who also heads the Somalia support group. The general manager also proposed to Somali officials that he visit Somalia to discuss suitable means for resolving this chronic problem but an opportunity for a successful visit never materialized, especially in view of recent developments in Somalia. It is to be noted, however, that the general manager met with a delegation of Somali ministers and officials attending the IMF-World Bank meeting in Bangkok in October 1991. They discussed economic conditions and the arrears issue. The Somali delegation said that a fund delegation would be invited to Somalia once conditions stabilized. Shortly afterward, however, social and political conditions deteriorated even further.

In accordance with the stipulations of Board of Governors Resolution No. 7 of 1992 on the arrears problem, a letter similar to the ones dispatched to Iraq and Sudan was prepared in coordination with the Board of Governors chairman and dispatched on 21 June 1992 to the Somali minister of finance, who is its fund representative. The fund has never received a response to that letter.

In light of the above, and in accordance with the provisions of Board of Governors Resolution No. 7 of 1992, the chairman of the Board of Governors sent the fund's governor from Somalia a letter, dated 18 February 1993 and similar to those sent to Iraq and to Sudan. The letter explained that provisions of Paragraph 2 of said Board of Governors resolution have become applicable to Somalia as of 15 October 1992 and hoped that the reasons underlying it would soon dissipate.

It must be noted here that total Somali arrears to the fund, including late interest, will amount by the end of March 1993 to 27,833,814 ADUA (about \$115.6 million) which would account for about 710 percent of Somalia's contribution to Fund capital paid in convertible currencies.

### Mauritania

Mauritania began to utilize fund resources in 1979 and has since received 12 loans totaling about 38 million ADUA (\$158 million), or 770 percent of its share paid in convertible currencies.

Mauritania had been late every now and then in its debt service [to the fund] but has recouped by borrowing additional loans to repay its arrears to the fund. The fund had been responsive to that member-state on more than one occasion in order to help it settle its arrears by ratifying the use of new loans for that purpose.

But the problem began to resurface even more acutely in early July 1991, when Mauritania stopped fulfilling its obligations. Its past-due repayments have since accumulated and grew to about 1.94 million ADUA by the end of March of last year. [Mauritania is held in default] because it has made no payments for more than six months and therefore became subject to Board of Governors Resolution No. 7 for 1992.

**List of Fund Loans to Mauritania**

Type of Loan	Contract Date	Amount (in millions of ADUA)
First routine	17 January 1979	0.750
Second routine	26 February 1980	0.750
Third routine	8 May 1982	2.190
Fourth routine	21 July 1983	0.750
Fifth routine	25 December 1985	2.190
Sixth routine	14 December 1986	1.500
Seventh routine	3 November 1988	2.190
First ordinary	28 April 1980	4.500
First extended	20 September 1986	8.240
Second extended	16 September 1986	3.250
Third extended	29 December 1989	9.050
First compensatory	3 July 1988	2.460
Total		37.820

It should be noted that fund management was constantly in touch with Mauritanian authorities, urging them to make the overdue payments before this and other defaults were brought to the attention of the Board of Governors at its April meeting.

In compliance with the Board of Governors resolution, a letter dated 21 June 1992 and signed by the chairman of the Board of Governors was dispatched to Mauritania's Central Bank governor urging prompt payment of the arrears. The Mauritanian Central Bank governor responded with a letter requesting that fund help his country obtain another fund loan to be used for settling the arrears. The fund answered that Mauritania could not be granted an additional loan because the aggregate value of its debt [to the fund] had already reached the maximum allowed by established lending policies, which is set at 250 percent of a member's contribution to fund capital. The letter from Mauritanian authorities said that the issue

could be discussed during the meeting of central bank governors on 5 September 1992 in Abu Dhabi and that further meetings could explore the options available to help contain the problem and resolve it.

Fund management met with Mauritania Central Bank deputy governor at the aforementioned gathering and discussed all aspects of the issue.

The general manager of the Board of Directors also met with Mauritania's Central Bank governor at the World Bank-IMF annual meeting in Washington. At that time, the Mauritanian side pledged to pay half of the arrears as they stood on 31 August 1992 (2.264 million ADUA). That pledge was confirmed by a fax dated 11 October 1992 in which the [Mauritanian Central Bank] governor suggested dispatching a fund representative to discuss the mechanics of a settlement and to agree on a payment schedule.

A fund representative was indeed dispatched on 17 October 1992, and he reached agreement with Mauritania on a payment schedule whereby Mauritania pledged that all arrears would be settled in full by 25 December 1992. The payment schedule called for a good-will payment of \$3 million, which the fund received on 23 October 1992. The rest of the arrears were to be paid in three installments, which were due on 20 November, 5 December, and 25 December 1992. As a gesture of response to that initiative, a fund delegation was dispatched on 10 November 1992 to discuss the new extended loan request.

After the return of the delegation and when no payment was received as scheduled, the fund sent a fax dated 25 November 1992 under the signature of the general manager. The fax stressed that the Mauritians must pay. As the due date of the final scheduled payment approached, the general manager sent another fax under his signature on 16 December 1992 to the governor, reminding him that payment must be made. The fund followed by calling Mauritanian officials who reiterated their keenness on settling the arrears and explained that they could not make the scheduled payments because of the unavailability of the foreign exchange resources they expected to receive in November and December 1992.

In light of the above, the application for a fourth extended loan amounting to 3.25 million ADUA was discussed by the Board of Directors and approved on condition that it not be made available to Mauritania until it paid all of its arrears to the fund. Mauritanian authorities indeed made a payment of \$3 million on 4 January 1993, reducing the amount of arrears on that date to the equivalent of 1.965 million ADUA (about \$8.3 million). The fund has continued to contact the Mauritanian authorities regarding the payment of this amount plus the late interest, which will continue to accrue until actual payment is made.

## BAHRAIN

### Crown Prince Discusses Relations With Iraq

93AE0454A London AL-HAYAH in Arabic 8 Apr pp 1, 4

[Interview with Crown Prince Hamad Bin-'Isa Al Khalifah by Jihad al-Khazin in Manama on 7 April: "Iraq's

Implementation of International Resolutions Opens Door for Interaction With World"]

[Text] Shaykh Hamad Bin-'Isa Al Khalifah, Bahrain's crown prince, said that his country is hurt when it witnesses the bad situation of the people of Iraq. The problem is not between Iraq and the Arab nation, but between Iraq and the world at large. The implementation of the Security Council resolutions would open the way for Iraq to deal with the world at large, not just with Bahrain or the Arab countries.

In an interview yesterday with AL-HAYAH in his office, the crown prince said that it is important to have one set of principles in international dealings. He said that Bahrain is calling for the enforcement of international resolutions on Iraq and all other countries. He expressed his satisfaction for not having problems of extremists or terrorists in Bahrain, as is the case in other countries. He added that the defect is not in Islam but in some Muslims.

The following is the text of the questions and answers.

[Al-Khazin] Since our last interview, Bahrain has established a shura council and a cabinet reshuffling. How would you evaluate the work of the council, and why doesn't it hold public sessions?

[Al Khalifah] The council is an extension of normal life in Bahrain. We have always followed the idea of shura. The only thing that we did is organize the council. The council is in its first stages. It includes a number of the country's elite. Regardless of whether its jurisdiction is limited or unlimited, the results depend on the people who are doing the work. During the first stages the council will not hold public sessions, but when it gains more experience and self-confidence there could be public sessions. We are very proud and happy to have the council, which will be a pioneer experience for Bahrain.

[Al-Khazin] There is talk about "Bahrainizing" the work force, and some newspapers are talking about unemployment. How are you dealing with these living conditions?

[Al Khalifah] Bahrain is characterized by the fact that its people like to work. With the right training, our citizens could perform all jobs—even the advanced ones. It is our duty to train the citizens and provide suitable employment opportunities. As for unemployment, the issue is about qualifications and training rather than the lack of jobs. We have formed joint committees made up of the representatives from the Ministry of Labor and the work force. There have been continuous contacts to develop the employment opportunities.

[Al-Khazin] Since the end of the Gulf War, the Gulf countries have been buying weapons. In your opinion, what are the reasons for this weapons buildup, and are the Gulf armies capable of absorbing these weapons?

[Al Khalifah] Self-defense is a legitimate right, especially with the instability and imbalances since the collapse of the Soviet Union. Acquiring weapons may be useful if our country participates with the international community in

any trouble spot. Some of our citizens participated in the peace efforts in some trouble spots such as Somalia, as well as other areas.

[Al-Khazin] Has Bahrain been asked to participate?

[Al Khalifah] No, we have not been asked to participate, but we are actively participating in the defense of our area within the framework of the GCC [Gulf Cooperation Council].

[Al-Khazin] How would you evaluate your relationships with Iran, especially because some Arab countries, such as Egypt, complain that Iran is financing the extremist and even the terrorist groups?

[Al Khalifah] As far as Bahrain is concerned, the relationships are good and they should always be based on good neighborly relationships and non-interference in the internal affairs. As for the incidents that we hear about, such as extremism and terrorists, the defect is not in Islam, but in some Muslims. It is unfortunate that a small group gives a very bad name to Islam. This is not right. The Muslims have to practice a certain kind of awareness and commitment to serve their religion and their countries.

[Al-Khazin] Do you have these kinds of problems in Bahrain?

[Al Khalifah] We do not have these problems. Everything is going well. Under the leadership of His Highness Shaykh 'Isa Bin-Salman, Bahrain is one family. I think that awareness plays an important role. Our citizens are well-informed regarding what is taking place in the world and can distinguish between the good and the bad and choose the good. They are eager to learn and would like to teach their children and improve their conditions. This can only be accomplished in an atmosphere of stability.

[Al-Khazin] What is Bahrain's position on Iraq and the continuation of the international sanctions?

[Al Khalifah] Bahrain's position stems from the consensus of the Arab world, first, and the international community, second. It pains us to see Iraq in a bad situation. I sincerely hope that Iraq will become an active country in the Arab world. The problem is not between the Arab nation and Iraq. It is between Iraq and the world at large. The Gulf countries agree upon seeking the reestablishment of Arab solidarity. There is not doubt that the Arab League is the suitable organization to lead such a trend.

[Al-Khazin] Is this solidarity possible while Saddam Husayn is still in power?

[Al Khalifah] Iraq attends the Arab League meetings with us, but it is also called upon by the international community to implement the Security Council resolutions. Such implementation would open a wider field of interaction between Iraq and the world at large, not just between Iraq and Bahrain or the Arab countries. Bahrain firmly believes in the principle of noninterference in the internal affairs of others. Just as we do not like anybody to interfere in our affairs, we do not like to interfere in the affairs of others. We try to seek aspects of cooperation with our brothers and friends for the benefit of all and to serve stability.

[Al-Khazin] Why are international resolutions enforced on Iraq alone?

[Al Khalifah] I am not sure that they are enforced on Iraq alone. It is important to have one set of rules to be applied in international dealings. The Security Council resolutions on Iraq were established by international unanimity. There are resolutions on our main issue (Palestine), as well as the former Yugoslavia, which we hope will be implemented and which we constantly request in international forums.

[Al-Khazin] How will the Iraqi people recover from their calamity while the international resolutions are being enforced?

[Al Khalifah] The implementation of such resolutions will lead to gradual solutions in all the problems that Iraq suffers from. This is a decision that must be made by Iraq rather than by Bahrain.

[Al-Khazin] What has happened regarding the border dispute with Qatar, which has been presented to the International Court of Justice at The Hague?

[Al Khalifah] As I mentioned in our last meeting, it is important to adhere to agreements and reconciliation. Submitting our case jointly to the International Court of Justice will definitely result in a reconciliation. In fact, what is presented now to the court is the issue of jurisdiction as a result of the unilateral request presented by Qatar.

[Al-Khazin] How would you evaluate the efforts of cooperation and integration in Gulf defense?

[Al Khalifah] It is important that the decision is within the plan that has been established. We should remain the power of deterrence that provides the Gulf citizens with stability and peace. This objective is not an easy one, and its implementation will take time. But we are ready to go all the way in this field, without any reservation and firmly believing that there is no alternative for cooperation and solidarity.

[Al-Khazin] Are the defense obligations enough, and are they being implemented?

[Al Khalifah] There have been serious attempts from the GCC countries to meet their obligations and enhance the joint action, but there is some discrepancy regarding understanding the requirements. Solving this issue needs extensive meetings and exchanges of opinions and experience, as well as patience, in order to have a joint understanding of the priorities of actions and methods of implementation. Have you not noticed that in our case, it is always easy to agree to something at the meeting and difficult to implement it; while in the advanced countries, the meetings are difficult, but implementation is easy. We have to allocate due time to each problem, and we also have to implement what we decide upon.

## MOROCCO

### Abuse in Establishing Electoral Lists Alleged

93AF0512A Rabat L'OPINION in French 13 Apr 93 p 1

[Editorial by Mohamed Idrissi Kaitouni: "Elections: Fighting Excessive Recourse to Money"]

[Text] One of the basic demands made by democratic parties to ensure honest elections is to fight against the excessive, unchecked, and illegal use of money during elections, as happened during municipal consultations and elections to professional bodies.

Such practices—which have become common among candidates who own huge fortunes of questionable origin—distort the elections and cause democracy to lose its deep and noble meaning as a system allowing the genuine expression of the people's will and contributing to the country's progress and the determination of its basic choices through institutions that are truly representative, credible, and aware of their responsibilities.

Massive and illegal recourse to money interferes with the rules of democracy; it is prejudicial to the election process and constitutes a blatant attack on the citizens' dignity and the country's good name.

During previous consultations, such abusive recourse to money was observed at three levels:

- First, when new electoral lists were being drawn up to replace the old lists that were canceled because they were incomplete, full of errors, and confusing. Thus, taking the opportunity that presented itself, some candidates, who had already chosen the districts where they would run, must have mobilized their financial resources to send hundreds of people in the districts chosen although they had no legal ties with the communities in question.

This illegal way of suddenly and improperly landing people on the new electoral lists caused democratic political organizations to demand that these lists be purged again.

- Second, recourse to money—dirty money in most cases—became obvious during the election campaign. For instance, some candidates did not hesitate to break the law and distributed gifts in kind and in cash, organized banquets, etc.
- But the most obvious was vote buying. Taking advantage of the fact that some voters were totally destitute and unaware of the seriousness of what they were about to do, unscrupulous candidates bought votes to make sure they would get elected.

We must fight such practices when they occur, as they are expressly prohibited by law. The imposition of a ceiling on election campaign financing and a strict control of the means and funds used for that purpose—especially through the creation of a control commission in each legislative constituency—should suffice to improve the situation and restore confidence among the citizens, who aspire to set up representative institutions elected in a democratic manner and enjoying the respect of all citizens.

#### **Mission of Bank 'Foundation' Defined**

93AF0512D Casablanca LA VIE ECONOMIQUE  
in French 9 Apr 93 p 34

[Article by D. Messaoudi: "Business Creations; People's Bank Foundation: 'Long Live Your Project!'"—first paragraph is LA VIE ECONOMIQUE introduction]

[Text] In the current context where assistance to small and mid-sized businesses and industries is given priority, the People's Bank goes one step further. To better "contribute to the emergence of new projects, attract new talent," and assert itself as the country's leading partner bank of small and mid-sized businesses and industries, the People's Bank is creating a specialized foundation: the People's Bank Foundation to promote the creation of new businesses.

In all the newspapers, last week, a full-page ad showed a windsurfer braced against his mast in an acrobatic posture. The management of Sherazade Consultants (see LA VIE ECONOMIQUE of 12 February 1993) were looking for "the right idea" to reflect the spirit of the newly created foundation.

Immediately, the Casablanca advertising agency saw the organization of this campaign as a challenge, a task fraught with as many difficulties as the creation of a new business. Actually, the problem was to make sure that the public would not think of the People's Bank, a financial institution, and the People's Bank Foundation, a consulting and assistance body, as one and the same thing. At the same time, the agency had to exemplify the concept of a "bank on the move" by the existence of a dynamic foundation designed to overcome, jointly with entrepreneurs, the major obstacles and other "small details that must be dealt with if a project is to succeed."

Did the agency succeed in its mission? It is hard for an advertising campaign to please everybody. For instance, the "fun" aspect of the image reminded some of the 15,000 young graduates heralded as "project bearers" after the CNJA [National Council for Youth and the Future] census.

Eventually, after defections and various selections, only a few hundred were found to offer viable projects.

#### **To Organize, Assist, and Promote**

Now—and this is the danger against which these very critics warned—it would be regrettable if the playful aspect suggested by the image used in the Sherazade ad were to make us forget that any business creation project has a professional dimension.

Anyhow, the People's Bank Foundation was introduced to the public, and it is headquartered on Moulay Youssef Avenue.

At the entrance, a sign on which the paint is still wet. In his office, a few days after the press conference at which the foundation was officially introduced, last Wednesday, Mr. Aqallal, the foundation's general secretary. Withdrawing very willingly behind the mission of the institution he manages, Mr. Aqallal first stated that the foundation was not created to lend money, but to organize, encourage, and promote the creation of businesses by anyone who comes with a project, even someone who does not have an account with the People's Bank.

Launched late in 1991, the foundation has been operating for barely six months.

Its services are free, and it will encourage anyone with a project, with no age limitation, by providing information on required administrative procedures, project feasibility, professional networks, and banking, commercial, or tax conditions.

### Project Selection

Some 40 projects have already been considered. They involve small and mid-sized businesses requiring an investment of 2.5 million dirhams at most, this being one of the foundation's selection criteria. Other criteria emerge as the projects submitted go through four successive study stages.

In this respect, Mr. Aqallal pointed out that the foundation expects the promoters who request its aid to submit a preliminary study of the targeted market: dilettantes need not apply!

After this first selection, the foundation's team will help the would-be entrepreneur to gain a better focused view of the activity sector considered.

For this, they rely on their professional expertise, as most of them are bank executives.

The third stage in the project study considers the investment: choosing the best credit formula, knowing that a viable project will still remain profitable even if it must get a normal loan at 15 percent instead of a young promoter's loan at 9 percent.

### Promoting a New Spirit

At this stage, the question of a personal capital contribution is of course considered. Very courageously, Mr. Aqallal sets the record straight: "Do not delude yourself: starting a business with zero dirhams in your pocket is out of the question. But perhaps it is time to promote a new spirit in this respect."

While recalling that the foundation's object is not to put people in touch with one another (those who have ideas and those who have money), nevertheless it might consider "matching skills," while of course fully heeding confidentiality requirements.

When he has obtained financing, the entrepreneur reaches the fourth stage in the procedure defined by the foundation: the legal creation stage.

But the foundation's mission does not end there. Aware that the failure rate is high, the People's Bank Foundation for the creation of businesses will monitor the newly created business for a few years, to make sure it is off to a good start.

### Economic Ties To South Africa Examined

93AF0512C Casablanca LA VIE ECONOMIQUE  
in French 9 Apr 93 p 17

[Article by Laila Jalal: "Cooperation: A New Partner"; first paragraph is LA VIE ECONOMIQUE introduction]

[Text] Trade relations between Morocco and South Africa started with President de Klerk's visit to Morocco in 1990;

they have now reached the stage of initial contacts between economic operators in both countries.

In addition, the Foreign Exchange Bureau recently published a circular advising authorized intermediary banks that, from now on, all payments between Morocco and South Africa must be made in accordance with current foreign-trade and foreign-exchange regulations. The South African representative in Rabat, Mr. Mostert, told us that efforts are being made to establish a direct airline between Morocco and South Africa.

The new Foreign Exchange Bureau circular concerning relations between Morocco and South Africa aims to promote trade between the two countries.

In fact, trade between Morocco and South Africa used to take place through third countries, and financial institutions could not finance it directly. The trade volume was therefore hard to estimate. The new Foreign Exchange Bureau guidelines reflect a determination to pave the way for durable economic cooperation.

### Agriculture and Mining

At first sight, the areas of cooperation look modest: both countries' economies rely on agriculture and mining, and the "distance" factor is an obstacle to trade development.

However, a more thorough analysis reveals that, although dominated by the same sectors, the Moroccan and South African economies cannot be said to compete with each other. Actually, the fact that seasons are reversed may create cooperation opportunities for economic operators.

Relations so far have reached the stage of initial contacts and the evaluation of cooperation possibilities: in June 1992, a Moroccan delegation consisting of representatives from various trade associations paid a visit to South Africa.

In December 1992, a South African delegation came to Morocco. It included the three leading South African trade associations. These are the South African Business Chamber, the Foreign Trade Organization, and the South African Foundation. The latter represents the private sector's interests abroad.

Mr. Mostert pointed out that the initial assessments were positive. "Morocco possesses all the infrastructure required for the development of trade relations between our two countries," he said.

### Areas of Cooperation

Considering that both economies rely on agriculture and mining, it seems that the first area of cooperation between Morocco and South Africa should be the exchange of expertise and knowhow in the development of raw materials in these two sectors.

In addition, cooperation could extend to the markets of third countries that maintain relations with either of the two countries. This might open new markets to Morocco.

The South African representative in Morocco mentioned the possibility of marketing similar Moroccan and South

African products in third markets. This would be possible because seasons are reversed due to the geographic location of the two countries.

Tourism is another sector that might benefit considerably from cooperation, either in managing the sector and exchanging experience, or because tourist numbers are expected to increase. Efforts are already being made in this respect: the South African television has broadcast documentary films on Morocco.

In addition, a number of specialized magazines have printed promotional articles designed to present Morocco's specific historical and cultural features. All the same, South African tourism in Morocco is not much developed yet.

### Tourist Figures 1990-92 Contrasted

93AF0512B Casablanca LA VIE ECONOMIQUE  
in French 26 Mar 93 p 14

[Article signed A.E.M.: "One-Day Tourists"—first paragraph is LA VIE ECONOMIQUE introduction]

[Text] There were a lot fewer Algerian tourists in 1992 than in the booming year 1991. But these are essentially cross-border and transit tourists who have no major impact on hotel revenues. They do not even stay for the night, just for the day.

Ministry of Tourism statistics show that 1,659,634 Algerian tourists came to Morocco last year. That is 19 percent fewer than in 1991, when Algerian tourists numbered 2,174,473.

### Low Number of Bed Nights

Certainly, since relations between Rabat and Algiers were normalized in 1988, there has been a considerable movement of goods and people across the Moroccan-Algerian border. "Cross-border tourism" developed at a sustained rate, generating a revival of social and economic activities in certain towns, in particular Oujda and Nador. But another kind of tourism was grafted on it, due essentially to the large Algerian community that lives in Europe. Many of these Algerian citizens transit through Morocco when they come back to their native country for the summer holidays. It goes without saying that these two factors account to a very large extent for the high number of Algerian tourists mentioned in the Ministry of Tourism annual statistics. With nearly 1.5 million people, Algerian tourists accounted in 1992 for no less than 48.7 percent of foreign tourist entries—of all nationalities—recorded at Moroccan border stations. This is a considerable proportion. In terms of bed nights in rated hotels, however, it translates into a much lower figure.

### Cross-Border and Transit Tourism

Actually, Algerian tourists accounted for a very small number of the total of 10,669,919 bed nights. Lumped together with other Arab tourists, our neighbors to the east accounted for only 6.4 percent of all bed nights, i.e., 655,348. In other words, Algerian tourism, being essentially cross-border and transit tourism, has little impact on the hotel sector. At least according to official statistics. But we should mention that a significant number of Algerian tourists go to non-rated hotels, whose bed-nights are not counted.

Bed Nights in Rated Hotels by Nationality

Country	1990	1991	1992	Percent Change 1992/1991	Percent Change 1992/1990
International Tourism	8,287,285	5,303,918	8,335,212	+56.7	+0.6
France	2,733,495	1,280,794	2,274,616	+77.6	-16.7
Spain	633,550	521,634	833,165	+59.7	+31.5
United States	217,812	109,136	185,538	+70.0	-14.8
Canada	73,856	44,021	54,761	+24.4	-25.8
England	501,269	220,410	497,515	+125.7	-0.7
Germany	1,459,654	957,852	1,699,220	+77.4	+16.4
Italy	566,218	469,100	784,898	+67.3	+38.6
Scandinavia	428,898	198,266	262,220	+32.2	-38.8
Portugal	57,508	42,508	64,381	+51.5	+11.7
Holland	173,335	99,304	151,053	+52.1	-12.8
Belgium	239,864	124,232	231,659	+86.5	-3.4
Switzerland	229,871	190,770	224,615	+17.7	-2.2
Arab countries	569,378	670,343	655,348	-2.2	+15.1
Africa	122,871	134,178	60,029	-55.2	-51.0
Others	279,706	241,370	356,194	+47.5	+27.3
National tourism	1,910,390	2,315,556	2,334,707	+0.8	+21.8
Total	10,197,675	7,619,474	10,669,919	+40.0	+4.6

Source: Ministry of Tourism

## Foreign Tourist Entries - 1992 Changes

Country	1990	1991	1992	Percent Change 1992/1991	Percent Change 1992/1990
Europe	1,195,805	854,524	1,291,123	+51	+7.9
Maghreb	1,562,570	2,174,473	1,738,349	-20	+11.2
Arab countries	42,931	36,365	43,811	+20.4	+2
America	115,408	69,085	118,112	+71	+2.3
Africa	16,591	15,354	15,356	-	-7.4
Others	45,061	40,580	45,711	+12.6	+1.4
Total	2,978,366	3,190,381	3,252,462	+2	+9.2

Source: Ministry of Tourism

## Maghreb Tourist Entries - 1992 Changes

Country	1990	1991	1992	Percent Change 1992/1991	Percent Change 1992/1990
Algeria	1,452,645	2,048,616	1,659,634	-19.0	+14.2
Tunisia	62,297	62,308	49,011	-21.3	-21.3
Libya	41,985	56,857	22,574	-60.3	-46.2
Mauritania	5,643	6,692	7,130	+6.5	+26.3
Total	1,562,570	2,174,473	1,738,349	-20.0	+11.2

Source: Ministry of Tourism

## SAUDI ARABIA

## Western Air Cover Over Bosnia Welcomed

93AE0465B London AL-HAYAH in Arabic  
13 Apr 93 p 4

[Article: "Saudi Arabia Welcomes No-Fly Zone Over Bosnia; Renews Support for Objectives of Palestinian Cause"]

[Text] Riyadh, Jeddah—Saudi Arabia has welcomed the Security Council resolution imposing a no-fly zone over Bosnia-Herzegovina and calling for the use of force against whomever violates this resolution. At a session it held yesterday, Monday, under the chairmanship of Prince 'Abdallah Bin-'Abd-al-'Aziz, the deputy prime minister and the National Guard chairman, at al-Yamamah Palace in Riyadh, the Cabinet asserted that Saudi Arabia continues to exert efforts to serve objectives of the Palestinian cause and to accomplish the Palestinian people's aspirations.

In a statement to the SAUDI NEWS AGENCY after the session, Saudi Information Minister 'Ali al-Sha'ir said that the cabinet heard a brief report on the most significant Arab and international developments, followed up on developments in Bosnia-Herzegovina, and lauded the Security Council resolution to impose a no-fly zone over Bosnia-Herzegovina and to use force against Serbian aircraft that violate this resolution.

## Aid to Bosnia

Al-Sha'ir added that the "Cabinet expressed its deep appreciation for the Islamic spirit that Saudi citizens

display on all occasions for charitable and benevolent action. This spirit was embodied recently in the \$10 million that Prince Salman Bin-'Abd-al-'Aziz, governor of Riyadh and chairman of the higher committee for the collection of donations for Bosnia-Herzegovina, presented to President Alija Izetbegovic on Sunday."

He added that the cabinet "has followed the progress of the Palestinian issue and the developments in the course of the peace negotiations," asserting that the Kingdom of Saudi Arabia, led by King Fahd Bin-'Abd-al-'Aziz, custodian of the two holy mosques, will continue "to exert efforts for whatever serves objectives of the Palestinian cause and accomplishes the Palestinian brothers' aspirations to attain their legitimate rights in accordance with Security Council Resolutions 242 and 338."

Al-Sha'ir said that the cabinet then familiarized itself with the outcome of the GCC [Gulf Cooperation Council] Ministerial Council meetings and with the latest developments in the region. It also acquainted itself with the outcome of the Arab labor conference that convened in the capital of Jordan and ended Sunday, lauding the "positive spirit" that prevailed at this conference.

In a related development, Bosnian President Alija Izetbegovic left Jeddah yesterday at the conclusion of a visit to Saudi Arabia during which he performed the rites of the minor pilgrimage. King Fahd Bin-'Abd-al-'Aziz, custodian of the two holy mosques, received Izetbegovic at al-Yamamah Palace in Riyadh on Sunday and gave a dinner banquet in his honor.



The reception was attended by Saudi Education Minister Dr. 'Abd-al-'Aziz al-Khuwaytir, Dr. Fateh Ali Hussein, the Bosnian president's adviser, and by Bosnian Foreign Minister Haris Silajdzic.

The Bosnian president and his delegation were seen off at King 'Abd-al-'Aziz International Airport by Hussein Omar Sebahic, Izetbegovic's representative in the kingdom, and by a number of Saudi officials. The delegation arrived in Riyadh last Friday and the Bosnian president was awarded King Faysal International Prize on Saturday evening.

#### Payment of 4.4 Million Riyals Made to PLO

93AE0465A London AL-HAYAH in Arabic 12 Apr 93  
p 3

[Article: "Saudi Arabia Remits 4.4 Million Riyals to PLO"]

[Text] Riyadh—This year, 1413 H [corresponding to 1992], Saudi Arabia has remitted to the PLO the fifth payment from the accounts of the Popular Committee for Aiding Palestinian Strugglers.

'Abd-al-Rahim Jamus, general director of the popular committee offices, has stated that Prince Salman Bin-'Abd-al-'Aziz, governor of the Riyadh Province and chairman of the Popular Committee for Aiding Palestinian Strugglers, has ordered that 4.4 million riyals (\$1.7 million) be remitted. Jamus pointed out that the total of the five payments remitted to date during the current year amounted to 49.01 million riyals (\$13.6 million), noting that a sixth payment will be remitted in the month of Dhi al-Hijjah [23 May to 21 June].

It is to be noted that Saudi Arabia remits the popular committee revenues, which it collects by deducting 5 percent from the wages of Palestinians working in the kingdom and from donations it receives, in six payments annually. The committee had received in the month of Ramadan a donation of 1 million Saudi riyals from Prince al-Walid Bin-Talal Bin-'Abd-al-'Aziz.

In a press statement, Jamus expressed his thanks and appreciation to King Fahd Bin-'Abd-al-'Aziz, custodian of the two holy mosques; Prince 'Abdallah Bin-'Abd-al-'Aziz, the crown prince, deputy prime minister, and National Guard chairman; Prince Sultan Bin-'Abd-al-'Aziz, the second deputy prime minister and defense and aviation minister; Riyadh Province Governor Prince Salman; and the government and people of the Kingdom of Saudi Arabia.

Jamus lauded "Saudi Arabia's constant positions under the leadership of King Fahd and its ceaseless material and political support at all Arab and international levels for the Palestinian people's struggle and their just cause so that the Palestinian people can regain their usurped rights, especially their right to self-determination and to establish their independent state on their own land under leadership of the PLO, their sole legitimate representative, with the venerable Jerusalem as its capital."

#### TUNISIA

#### State Budget for 1993 Contrasted With 1992 Budget

93AF0476A Tunis CONJONCTURE in French  
Jan-Feb 93 pp 37-53

[Article: "1993 State Budget"]

[Text] Although adopted by the Chamber of Deputies and promulgated by Law No. 92-122 (finance law for fiscal 1993), the general state budget for 1993 is of special importance in that 1993 is the second year of the Eighth Economic and Social Development Plan. In that connection, we should note that the various guidelines included in this budget were adopted as part of a strategy taking into account not only the vision contained in the eighth plan—with all that implies from the standpoint of accelerating the rate of growth, consolidating employment, and giving private investment a new boost, all within a framework of financial equilibriums—but also the need to consolidate the gains to date and remedy the weaknesses and inadequacies observed in previous years, notably in connection with management of the state budget.

For example, the grand total of the general state budget—revenues and expenditures—has been set at 4,950 million dinars [mD], compared to 4,450 million dinars in fiscal 1992, for an increase of 11.2 percent.

As regards budget resources, tax revenues have been estimated at 3,080 million dinars, compared to 2,715 million dinars in 1992 (up 13.4 percent), while nontax revenues will total 700 million dinars, compared to 653 million dinars in 1992 (up 7.2 percent).

For their part, operating expenditures (current expenditures) have been set at 3,780 million dinars, compared to 3,368 million dinars in 1992 (up 12.2 percent).

In addition, the following data also characterize the state budget:

1. Revenues and expenditures by government enterprises whose budgets are included in the state budget are set at 305,029,000 dinars for fiscal 1993, compared to 299,451,000 dinars in 1992 (up 2 percent).
2. Revenues and expenditures by government enterprises whose budgets are annexed to the general budget are set at 1,793,000 dinars for fiscal 1993, compared to 1,736,000 dinars in 1992 (up 3.2 percent).
3. Total state program credits are set at 652,746,000 dinars for fiscal 1993, compared to 862,385,000 dinars in 1992 (down 24.3 percent).
4. Maximum commitment credits and payment credits covered by revenues not allocated to projects and not pertaining to capital expenditures from the state budget are established as follows for fiscal 1993:
  - a) Commitment credits: 2,045 million dinars, compared to 1,712 million dinars in 1992 (up 19.5 percent).
  - b) Payment credits: 1,837 million dinars, compared to 1,577 million dinars in 1992 (up 16.5 percent).

5. Revenues and expenditures in connection with special Treasury funds are set at 611,100,000 dinars for fiscal 1993, compared to 550,265,000 dinars in 1992 (up 11 percent).

### 1. Chamber of Deputies

#### Operating Budget

Current expenditures by the Chamber of Deputies will total 4,774,000 dinars, an increase of 4.7 percent over last year's level. That slight increase is due basically to spending for equipment and administration (+18.5 percent), expenditures related to keeping records of proceedings and the chamber's everyday expenses (+9.5 percent), and employee compensation (personnel governed by the law on cadres) (+13.5 percent).

Spending increases under the other headings follow the normal curve.

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
4,561	4,774	+4.7	+213

#### Equipment Budget

Equipment expenditures will total 4,090,000 dinars, compared to 3,250,000 dinars in 1992, and will probably be distributed as follows:

a) New projects, including in particular computerization of the chamber's departments and the acquisition of vehicles for the chamber: 160,000 dinars.

b) Projects already under way, examples being expansion of the chamber's quarters, installation of a switchboard, and other miscellaneous construction and equipment: 3,930,000 dinars.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
3,250	4,090	+25.9	+840

### 2. Office of the President of the Republic

#### Operating Budget

The 1993 operating budget for the Office of the President of the Republic is set at 17,729,000 dinars, an increase of 5.6 percent. The increase is due to increases in sovereignty expenditures (+23.7 percent), compensation of personnel covered by the law on cadres (+16.8 percent), and state intervention, both direct (+7.3 percent) and indirect (+11.2 percent), in the social and cultural area.

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
16,800	17,729	+5.6	+929

#### Equipment Budget

Equipment expenditures have been set at 5,000,000 dinars, compared to 2,745,000 dinars in 1992, for an increase of 82.2 percent. This budget will be used for:

a) New projects (3,417,000 dinars), which have increased noticeably and that will be concerned in particular with the construction of a training and retraining center (362,000 dinars) and maintenance shops (7.3 billion dinars) in Gammarth, the acquisition of special security equipment (250,000 dinars), and the acquisition of vehicles (675,000 dinars).

b) Projects already under way (1,583,000 dinars), which are concerned in particular with administration buildings and the acquisition of miscellaneous equipment.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
2,745	5,000	+82.5	+2,255

### 3. Prime Minister's Office

#### Operating Budget

Operating expenditures will total 40,929,000 dinars, compared to 49,734,000 dinars—a decrease of 17.7 percent despite the establishment of a third secretariat of state. This is due to the marked drop in current expenditures by the Prime Minister's Office.

#### Prime Minister's Office

The budget allocated to the Prime Minister's Office (13,252,000 dinars) has declined by 51.1 percent because of cutbacks affecting primarily expenditures related to payroll (-28.9 percent) and direct state intervention in the social and cultural area (-87.1 percent).

#### Secretariat of State for Information

The budget allocated to information is up by 18.3 percent, having risen from 15,150,000 dinars in 1992 to 17,910,000 dinars in 1993. The increase is due basically to pay increases (+5.6 percent), equipment and administration expenses (+5 percent), and indirect state intervention in the social and cultural area (+26.2 percent).

#### Secretariat of State for Scientific Research

Operating expenses will total 9,068,000 dinars, compared to 7,455,000 dinars in 1992, for an increase of 21.7 percent. This is due to pay increases for permanent hourly workers (+8.9 percent), operating subsidies for government corporations and similar agencies (+6.3 percent), indirect state intervention in the economic area (+6.5 percent), and indirect state intervention in the social and cultural area, which has increased tenfold (2,030,000 dinars, compared to only 200,000 dinars in 1992).

#### Secretariat of State for Women's and Family Affairs

The budget allocated to this new department will total 699,000 dinars. Most of that will be used for payroll (134,000 dinars), equipment and administration expenses (155,000 dinars), indirect state intervention in the social and cultural area (40,000 dinars), and payroll for permanent hourly workers (41,000 dinars).

#### Equipment Budget

The equipment budget has been set at 12,245,000 dinars, compared to 6,467,000 dinars in 1992. That increase of 89.4 percent is due to the existence of several new projects, which will take a total of 10,811,000 dinars distributed as follows:

- a) New projects by the Prime Minister's Office: 919,000 dinars.
- b) New projects by the Secretariat of State for Scientific Research: 2,310,000 dinars.
- c) New projects by the Secretariat of State for Information: 7,322,000 dinars.
- d) New projects by the Secretariat of State [as published]: 260,000 dinars. The amount allocated to projects under way will total 1,434,000 dinars. It will be used to finance administrative building projects, studies, and various remodeling projects.

#### In Thousands of Dinars [mD]

Description	1992	1993	Change	
			%	mD
Current expenditures	49,734	40,929	-17.7	-8,805
Direct investment	6,467	12,245	+89.4	+5,778

#### 4. Ministry of Interior

##### Operating Budget

Expenditures will total 353,736,000 dinars in 1993, compared to 327,780,000 dinars in 1992, for an increase of 7.9 percent. The higher amount is due to increases in the salaries of the ministry and its staff (+24.6 percent), pay increases for personnel (+11.3 percent), equipment and administration (+4 percent), direct state intervention in the economic area (+5.3 percent), and direct state intervention in the social and cultural area (+22.9 percent).

##### Current Expenditures (1,000's of dinars [mD])

1992	1993	Change	
		%	mD
327,780	353,736	+7.9	+25,956

##### Equipment Budget

This budget is set at 27,570,000 dinars, compared to 26,500,000 dinars in 1992, for an increase of 4 percent.

Projects under way (393,000 dinars) include the acquisition of communications equipment and the fitting out of official housing for the governors.

The remainder will be used for a great variety of new projects, including the expansion and fitting out of training schools, the construction of facilities and barracks, and the fitting out of offices for the governorates and branch offices.

Other new projects include the acquisition of land and buildings, computer equipment, special equipment, and high-security identification cards.

##### Direct Investment (1,000's of dinars [mD])

1992	1993	Change	
		%	mD
26,500	27,570	+4.0	+1,070

#### 5. Ministry of Justice

Operating expenditures will total 31,063,000 dinars, compared to 29,298,000 dinars in 1992. That increase of 6.1 percent is due to the increase in adjustment operations as needed and to new measures. The breakdown of expenditures is dominated by payroll, which will total 22,800,000 dinars (73.4 percent of the operating budget). The other expenditures will be concerned with equipment purchases and the reimbursement of transportation costs. Also included will be the financing of management subsidies for supervised government enterprises and direct and indirect state intervention in the economic, social, and cultural areas.

##### Current Expenditures (1,000's of dinars [mD])

1992	1993	Change	
		%	mD
29,298	31,063	+6.1	+1,765

**Equipment Budget**

This budget has been set at 2,250,000 dinars, compared to 2,150,000 dinars in 1992, for an increase of 4.7 percent. The increase is due to higher costs related to new projects, the budget for which has risen from 1,570,000 dinars in 1992 to 1,590,000 dinars in 1993. That amount will be used in particular for equipping and computerizing the various jurisdictions, renovating the electrical system in the Tunis Court House, and other miscellaneous work.

Projects under way, which will take the rest of the money, include the fitting out of shops and warehouses and administrative construction projects.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
2,150	2,250	+4.7	+100

**6. Ministry of Foreign Affairs****Operating Budget**

Expenditures will total 56,326,000 dinars in 1993, compared to 53,000,000 in dinars in 1992. That 6.3-percent increase is due in particular to higher pay for personnel (+6.6 percent) and hourly workers (+11.4 percent) and to operating subsidies for diplomatic posts abroad.

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
53,000	56,326	+6.3	+6,326

**Equipment Budget**

Equipment expenditures have increased appreciably over those for 1992. They total 2.8 million dinars, compared to 2.003 million dinars in 1992. That increase of 39.8 percent is due to the development of new projects, which are responsible for nearly all the investment expenditures (76 percent). These expenditures will be concerned in particular with the improving and furnishing of posts abroad, the establishment of new posts, vehicle fleets for posts abroad, and the acquisition of land from the AFH [Real Estate Housing Agency].

Projects under way, which will take the remainder of this budget, are concerned with work to fit out administrative buildings.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
2,003	2,800	+39.8	+797

**7. Ministry of National Defense****Operating Budget**

This budget is up by 5.8 percent from 198,900,000 dinars in 1992 to 210,372,000 dinars in 1993.

Most of the budget will be used for payroll, equipment, and administration (190,509,000 dinars, or 90.5 percent of the operating budget).

Reimbursement for transportation expenses occupy an important place in the breakdown of expenditures at 1,750,000 dinars, compared to 1,581,000 dinars in 1992. The rest of this budget will be used for expenditures related to direct and indirect state intervention in the economic, social, and cultural areas (4,250,000 dinars, an increase of 6.4 percent) and management subsidies for supervised government enterprises (6,323,000 dinars, or 37.5 percent more than in 1992).

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
198,900	210,372	+5.8	+11,472

**Equipment Budget**

The total allocated to this budget is up by 7.5 percent over last year. It now amounts to 129,060,000 dinars, compared to 120,063,000 dinars in 1992.

The amount to be spent on new projects totals 83,560,000 dinars. It will be used to finance the 1993 military equipment program, the development programs assigned to the Armed Forces, and the 1993 military infrastructure program.

Projects under way will take the remainder of the equipment budget. They are concerned with the 1990 military equipment program.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
120,063	129,060	+7.5	+8,997

**8. Ministry of Religious Affairs****Operating Budget**

Because this ministry did not exist last year, no comparison is possible.

The total operating budget for 1993 will be 14,694,000 dinars. Most of that budget (76.8 percent) will be used to pay individuals who are not government employees but who will be assisting the administration (11,283,000 dinars).

The rest of the budget will be used basically to pay personnel (1,363,000 dinars) and to pay for direct state intervention in the social and cultural area (1,555,000 dinars).

#### Equipment Budget

This budget, totaling 180,000 dinars, will be used to finance new projects involving the establishment of a printing plant, equipment for the Documentation Department, the acquisition of motor vehicles, the acquisition of miscellaneous equipment, and various start-up expenses.

### 9. Ministry of International Cooperation and Foreign Investment

#### Operating Budget

This is another ministry that came into being after promulgation of the 1992 budget.

For this year, operating expenditures will total 2,157,000 dinars. About 49 percent of that will be for indirect state intervention in the social and cultural area (1,055,000 dinars). Other budget headings to which smaller amounts are allocated include the following: payroll (400,000 dinars), equipment and administrative expenditures (300,000 dinars), and the salaries of the minister and his staff (226,000 dinars).

#### Equipment Budget

The equipment budget, totaling 675,000 dinars, will be used entirely to finance new projects. Those projects are concerned with fitting out the ministry's offices, acquiring motor vehicles, and acquiring computer equipment.

### 10. Ministry of Finance

#### Operating Budget

The operating budget is characterized by its high amount (1,253,621,000 dinars, compared to 1,023,555,000 dinars in 1992) and by the fact that it has increased by 22.5 percent.

Operating expenditures are broken down as follows:

1. Payment of debt interest and of other commitments for which the state is responsible: 489,000 dinars (up 15 percent over 1992).
2. Current expenditures of the Ministry of Finance: 58,870,000 dinars (down 10 percent from 1992). The smaller amount is due to reduced expenditure on indirect state intervention in the social and cultural area (subsidies to Treasury funds), which dropped from 10,600,000 dinars in 1992 to only 600,000 dinars in 1993.
3. Payment of joint charges: 38,751,000 dinars (up 2 percent over 1992).
4. Participation by Title I in Title II: 667,000,000 dinars (up 34.7 percent over 1992).

#### Current Expenditures (1,000's of dinars [mD])

1992	1993	Change	
		%	mD
1,023,555	1,253,621	+22.5	+23,066

#### Equipment Budget

The equipment budget for fiscal 1993 is down 4 percent from its 1992 level and now stands at 3,234,000 dinars. About 75 percent of that amount is to cover new projects concerned with administrative buildings, outfitting the ministry's offices, and the acquisition of vehicles and special equipment for the Customs Service.

The remaining 25 percent will be used for projects under way—that is, basically, outfitting and building Ministry of Finance offices and customs stations in the republic.

#### Direct Investment (1,000's of dinars [mD])

1992	1993	Change	
		%	mD
3,368	3,234	-4	-134

### 11. Ministry of National Economy

#### Operating Budget

The operating budget for fiscal 1993 is characterized in particular by the following:

1. A slight drop (2 percent) in current expenditures, which total 274,576,000 dinars compared to 279,457,000 dinars in 1992.
2. Despite that drop due to the reduction in expenditures for the remuneration of casual employees (-1 percent) and the remuneration of individuals who are not government employees (-15.4 percent), direct and indirect state intervention in the economic, social, and cultural areas are taking a large share (97.4 percent) of current expenditures at 267,638,000 dinars. In that same connection, we also note that charges for the general equalization fund are up by 4.4 percent over their 1992 level.
3. Other expenditures have to do mainly with payment of the ministry's personnel at 3,748,000 dinars (+5.2 percent), equipment and administrative expenses (1,850,000 dinars, or 10.7 percent), and reimbursement of transportation expense at 110,000 dinars (+22.2 percent).

#### Current Expenditures (1,000's of dinars [mD])

1992	1993	Change	
		%	mD
279,457	274,576	-2.0	-4,881

#### Equipment Budget

Direct investments will total 690,000 dinars, compared to 407,000 dinars in 1992, for an increase of 69.5 percent.

New projects, amounting to 520,000 dinars, or 75.3 percent of the total, will involve the establishment of regional directorates (70,000 dinars), the acquisition of motor vehicles (160,000 dinars), equipment for combating fraud (40,000 dinars), the industrial restructuring program (170,000 dinars), and the acquisition of computer equipment (20,000 dinars).

The rest of the equipment budget will be used for programs under way.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
407	690	+69.5	+283

## 12. Ministry of Planning and Regional Development

### Operating Budget

The operating budget totals 8,870,000 dinars, compared to 8,403,000 dinars in 1992, for an increase of 5.5 percent related to increases in the remuneration of permanent hourly workers (+4 percent) and in spending on equipment and administration (+8.1 percent).

Expenditures related to direct and indirect state intervention in the economic, social, and cultural areas have also increased and are taking three-fourths of the operating budget.

The remainder of the operating budget will be used to pay personnel, purchase equipment, reimburse transportation expenses, and subsidize the management of supervised government enterprises.

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
8,403	8,870	+5.5	+467

### Equipment Budget

The equipment budget has declined by 37.2 percent and now totals 200,000 dinars, compared to 318,000 dinars in 1992.

New projects will require expenditures on the order of 141,000 dinars (compared to 260,000 dinars in 1992) to acquire computer equipment (36,000 dinars) and motor vehicles (60,000 dinars), participate in shared-cost cooperation projects (20,000 dinars), print the Eighth Plan (15,000 dinars), and contribute to the Arab Planning Institute (10,000 dinars).

Projects under way for providing facilities and equipment will take the rest of this budget.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
318	200	-37.2	-118

## 13. Ministry of Agriculture

### Operating Budget

The operating budget is up by 4.3 percent to 120,990,000 dinars, compared to 115,991,000 dinars in 1992.

Personnel salaries are taking 72 percent of the operating budget at a total of about 86,736,000 dinars.

The rest of the budget is divided among direct and indirect state intervention in the economic, social, and cultural areas, management subsidies for supervised government enterprises, purchases of equipment, and the reimbursement of transportation expenses.

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
115,991	120,990	+4.3	+4,999

### Equipment Budget

Direct investments will total 140,000,000 dinars, compared to 124,364,000 dinars in 1992, for an increase of 12.5 percent.

New projects will take 189,056,000 dinars (compared to 60,115,000 dinars in 1992) for use in financing the expenditures of technical departments and regional agricultural development boards (equipment, studies, closer supervision, drinking water for rural areas, and so on).

Projects under way, which will take the remainder of the equipment budget, will be divided among technical departments and regional agricultural development boards.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
124,364	140,000	+12.5	+15,636

## 14. Ministry of State Properties and Land Affairs

### Operating Budget

Current expenditures have increased by 17.5 percent over last year. The operating budget now totals 6,689,000 dinars, compared to 5,694,000 dinars in 1992.

That sizable increase is for the adjustment operations as needed and the new measures.

It should also be pointed out that 78.5 percent of the operating budget will be used for salaries (5,251,000 dinars, compared to 4,412,000 dinars in 1992). The rest of the budget will be used for equipment purchases, the reimbursement of transportation expenses, and legal expenses, as well as for direct and indirect state intervention in the economic, social, and cultural areas.

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
5,694	6,689	+17.5	+995

#### Equipment Budget

Direct investments have been set at 1,825,000 dinars, compared to 1,300,000 dinars in 1992. That is a sizable increase of 40 percent made necessary by the increase in spending on new projects, which are up from 670,000 dinars in 1992 to 1,210,000 dinars in 1993—an 80-percent increase to cover in particular the acquisition of vehicles (470,000 dinars), land studies (365,000 dinars), computer studies and computer equipment (140,000 dinars), and miscellaneous facilities (100,000 dinars).

The rest of the budget will be used to pay for such existing projects as land registration and the introduction of computers.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
1,300	1,825	+40.0	+525

#### 15. Ministry of Equipment and Housing

##### Operating Budget

The operating budget is up considerably over last year's level (+75.8 percent) and now totals 89,670,000 dinars, compared to 51,000,000 dinars in 1992. The reason is the adjustment operations as needed and new measures.

There are two other major items in this budget:

1. Salaries (26,424,000 dinars, compared to 25,180,000 dinars in 1992).
2. Direct and indirect state intervention in the economic, social, and cultural areas, the budget for which has more than doubled: from 22,435,000 dinars in 1992 to 59,662,000 dinars in 1993.

It should be noted that the rest of this budget will be used for equipment purchases and the reimbursement of transportation expenses.

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
51,000	89,670	+75.8	+48,670

##### Equipment Budget

Direct investments will total 90,676,000 dinars, compared to 81,547,000 dinars in 1992, for an increase of 11.2 percent due in particular to a sizable increase in funds earmarked for new projects. Those projects include administrative buildings, studies, cartographic and topographic surveys of towns, development plans, and road work.

Projects under way have to do with laying out roads and building bridges and fishing ports.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
81,547	90,676	+11.2	+9,129

#### 16. Ministry of Environment and Land Planning

##### Operating Budget

The operating budget has more than tripled for 1993, rising from 500,000 dinars in 1992 to 1,621,000 dinars in 1993. The most important items affected by the increase are these:

1. Salaries for the minister and his staff (171,000 dinars, compared to 80,000 dinars in 1992).
2. Compensation for personnel (694,000 dinars, compared to 115,000 dinars in 1992).
3. Equipment and administrative expenditures (312,000 dinars, compared to 120,000 dinars in 1992).
4. Reimbursement of transportation expenditures and other allowances (49,000 dinars, compared to 25,000 dinars in 1992).

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
500	1,621	+324	+1,121

##### Equipment Budget

Direct investments have also more than doubled, since they will rise from 797,000 dinars in 1992 to 2,075,000 dinars in 1993.

New projects will take 95.4 percent of total direct investment at 1,980,000 dinars, compared to 597,000 dinars in 1992.

Those funds will be used primarily for the establishment of laboratories (500,000 dinars), studies (300,000 dinars), the intervention and experimental activity program (375,000

dinars), the acquisition of vehicles (185,000 dinars), and the urban master plan (130,000 dinars).

Projects under way will receive the rest of the funds—that is, 5 percent of the total budget for direct investment.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
797	2,075	+260.4	+1,278

### 17. Ministry of Transport

#### Operating Budget

The operating budget is up 3 percent over last year's level, since it now totals 53,439,000 dinars, compared to 51,930,000 dinars in 1992.

Of that budget, 82.6 percent will be used to finance direct and indirect state intervention in the economic, social, and cultural areas.

The remainder will include the payment of salaries (5,292,000 dinars, compared to 5,363,000 dinars in 1992), management subsidies for supervised government enterprises (2,582,000 dinars, compared to 3,712,000 dinars in 1992), and equipment purchases and administrative expenses (1,064,000 dinars, compared to 984,000 dinars in 1992).

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
51,930	53,439	+3.0	+1,509

#### Equipment Budget

Direct investments will total 2,885,000 dinars, compared to 1,972,000 dinars in 1992, for an increase of 46.3 percent.

New projects will take about 54 percent of all direct investments. This portion will be concerned in particular with the construction of bus and truck stations (670,000 dinars), equipment for the vehicle inspection center (200,000 dinars), the replacement of vehicle checking equipment (200,000 dinars), the acquisition of vehicles (159,000 dinars), and the construction of maritime security areas (110,000 dinars).

The rest of the budget (46 percent) will be used to finance projects under way, examples being bus and truck stations and the vehicle inspection center in Sfax.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
1,972	2,885	+46.3	+913

### 18. Ministry of Tourism and Handicrafts

#### Operating Budget

The operating budget will total 14,804,000 dinars, compared to 13,780,000 dinars in 1992. That 8-percent increase is due to higher amounts for most items.

It should be noted that nearly all of the operating budget (98 percent) will be used for state intervention in the economic area (subsidies to the branch offices).

The rest of the operating budget will be used for salaries, equipment purchases, and reimbursement of transportation expenses.

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
13,780	14,804	+8.0	+1,024

#### Equipment Budget

The equipment budget, totaling 500,000 dinars compared to 450,000 dinars in 1992, will be used solely for new projects. Those new projects will focus on maintenance and development for improving and protecting the environment at tourist centers.

Investment spending on new projects will also serve to finance the purchase of automobiles.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
450	500	+11.1	+50

### 19. Ministry of Telecommunications

#### Operating Budget

The budget allocated to this ministry will total 248,000,000 dinars, compared to 230,000,000 dinars in 1992. That increase of 7.8 percent (compared to a 17-percent increase last year) is due to adjustment operations and new measures.

The structure of the operating budget for this ministry usually has two components: television broadcasting and the PTT [Posts and Telecommunications].

#### 1. Television Broadcasting

Current expenditures will total 13,000,000 dinars, reflecting a 44-percent increase over last year. That amount will make it possible to finance direct state intervention in the economic, social, and cultural areas (7,625,000 dinars, compared to 4,720,000 dinars in 1992).



and cover participation by the PTT under Title I in Title II of the ERT [expansion not given] (2,680,000 dinars, compared to 2,100,000 dinars in 1992). We note that those two areas account for 80.6 percent of the operating budget.

The rest of the budget will be used basically to pay salaries and other expenses.

## 2. PTT

The PTT's current expenditures will total 235,000,000 dinars, compared to 221,000,000 dinars in 1992, for an increase of 6.3 percent.

Those expenditures will be divided among the PTT's participation in Title II of the budget (122,000,000 dinars, compared to 111,500,000 dinars in 1992), the payment of salaries (61,900,000 dinars, compared to 60,719,000 dinars in 1992), direct and indirect state intervention in the economic, social, and cultural areas (24,495,000 dinars, compared to 22,197,000 dinars in 1992), and other expenses.

### Current Expenditures (1,000's of dinars [mD])

1992	1993	Change	
		%	mD
230,000	248,000	+7.8	+18,000

### Equipment Budget

The equipment budget will total 104,185,000 dinars, compared to 86,600,000 dinars in 1992, for an increase of 20.3 percent.

Most of this budget is being allocated to the PTT (101,505,000 dinars). The remainder—2,680,000 dinars—will be used for television broadcasting, with 150,000 dinars going to projects under way. The rest will be used to finance new projects involving primarily the telemetry and telemonitoring network, the Cap Bon broadcasting station, and the relay station in Tataouine.

### Direct Investment (1,000's of dinars [mD])

Description	1992	1993	Change	
			%	mD
Section I: TV broadcasts	2,100	2,680	+36.1	+580
Section II: PTT	84,500	101,505	+20.1	+1,705
Total	86,600	104,185	+20.3	+2,285

## 20. Ministry of Education and Sciences

### Operating Budget

This ministry's operating budget is up by 7.7 percent (compared to 10 percent last year) and now totals 755,204,000 dinars, compared to 700,882,000 dinars in 1992. Its operating budget must be presented in two parts: education and higher education.

#### 1. Education

The budget for current expenditures totals 611,846,000 dinars (compared to 569,127,000 dinars in 1992) and will cover the payment of salaries in the amount of 566,226,000 dinars, or 92.5 percent of the education budget.

The rest of the budget involves management subsidies for supervised government enterprises (18,200,000 dinars, compared to 16,727,000 dinars in 1992), direct and indirect state intervention in the social and cultural areas (10,948,000 dinars, compared to 10,579,000 dinars in 1992), and equipment purchases and transportation expenditures (7,600,000 dinars, compared to 7,370,000 dinars in 1992).

#### 2. Higher Education

Current expenditures total 143,358,000 dinars (compared to 131,755,000 dinars in 1992) and are characterized by the predominance of two items of expenditure: salaries (74,685,000 dinars, compared to 69,889,000 dinars in 1992), and management subsidies for supervised

government enterprises (55,958,000 dinars, compared to 50,377,000 dinars in 1992).

### Current Expenditures (1,000's of dinars [mD])

1992	1993	Change	
		%	mD
700,882	755,204	+7.7	+54,322

### Equipment Budget

Direct investments will total 89,790,000 dinars, compared to 86,582,000 dinars in 1992. That 3.7-percent increase is due chiefly to higher allocations for new projects concerned mainly with the fitting out of classrooms, the construction of shops, the construction of schools, an increase in the automobile fleet, the expansion of residence halls, and the fitting out of scientific research institutes.

Projects under way are concerned with the fitting out of technical lycees, university residence halls, and university restaurants.

### Direct Investment (1,000's of dinars [mD])

1992	1993	Change	
		%	mD
86,582	89,790	+3.7	+3,208

**21. Ministry of Culture****Operating Budget**

The budget for current expenditures has been set at 25,304,000 dinars, compared to 24,008,000 dinars in 1992. That increase of 5.3 percent is due to an increase in expenditures related to adjustment operations as needed and the expense of new measures.

Analysis of the structure of expenditures reveals that salaries occupy an important place at 10,781,000 dinars (compared to 10,542,000 dinars in 1992). Direct and indirect state intervention in the social and cultural areas will total 7,237,000 dinars (compared to 7,102,000 dinars in 1992), while management subsidies for government enterprises will total 4,716,000 dinars (compared to 4,458,000 dinars in 1992).

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
24,008	25,304	+5.3	+1,296

**Equipment Budget**

Direct investments will total 6,125,000 dinars, compared to 4,805,000 dinars in 1992, an increase of 27.4 percent that is due basically to an increase in funds allocated to new projects. Regional new projects will be concerned with cultural centers, youth centers, and public libraries. At the national level, funds will be used for studies and research, the construction and furnishing of libraries, the academy of arts, the Sbeitla archeological site, and the outfitting, expansion, and furnishing of cultural centers.

The funds for projects under way will be used to acquire cultural equipment and to outfit and furnish libraries and schools of music and dance.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
4,805	6,125	+27.4	+1,320

**22. Ministry of Public Health****Operating Budget**

Totaling 288,513,000 dinars, compared to 267,200,000 dinars in 1992, the operating budget is up by 7.9 percent. That increase reflects higher spending resulting from adjustment operations as needed and the new measures.

Analysis of the structure of expenditures reveals the following:

1. The salaries of ministry personnel account for 68.2 percent of the operating budget at 196,997,000 dinars.

2. Management subsidies for supervised government enterprises are taking 18.5 percent of the operating budget at 53,626,000 dinars.

3. Most of the remaining current expenditures are concerned with direct and indirect state intervention in the social and cultural areas, equipment purchases, and transportation costs.

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
267,200	288,513	+7.9	+21,313

**Equipment Budget**

The amount allocated to the equipment budget for fiscal 1993 totals 30,300,000 dinars, compared to 27,570,000 dinars in 1992. That increase of 10 percent is due primarily to the larger amounts allocated to new projects. At the regional level, those new projects have to do with the construction of a hospital and of basic health centers and with outfitting and renovation.

At the national level, we should mention in particular the expenditures related to the acquisition of ambulances, the construction of an organ transplant unit, the health campaign, and the outfitting, renovation, and furnishing of hospital departments.

Projects under way will receive funds to cover the cost of expanding and outfitting the CHU's [university hospital centers] and certain hospitals.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
27,570	30,300	+10.0	+2,730

**23. Ministry of Social Affairs****Operating Budget**

The operating budget has been set at 53,854,000 dinars, compared to 48,748,000 dinars in 1992. That increase of 10.5 percent is due to the higher cost of adjustment operations as needed and new measures.

Analysis of the structure of expenditures reveals that:

1. Direct and indirect state intervention in the social and cultural areas will take 68 percent of the operating budget at an amount of 36,644,000 dinars, compared to 33,044,000 dinars in 1992.

2. Salaries account for 25 percent of the operating budget at an amount of 13,320,000 dinars, compared to 12,139,000 dinars in 1992.

3. The remainder of the budget will be used for management subsidies for supervised government enterprises, equipment purchases, and transportation expenses.

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
48,748	53,854	+10.5	+5,106

#### Equipment Budget

This budget is on the order of 1,745,000 dinars, compared to 1,855,000 dinars in 1992, for a decrease of 6 percent.

New projects will take 995,000 dinars, compared to 815,000 dinars in 1992, for a sizable increase of 22 percent. That amount will be used to finance the acquisition of vehicles, the outfitting and furnishing of welfare centers for the elderly, and the furnishing of the central directorate and regional inspectorates of labor medicine.

New projects will also be concerned with the National Institute for the Protection of Children and the literacy program.

Projects under way will take the rest of the equipment budget. They will be concerned in particular with the construction of local social service centers and the Institute of Health and Industrial Safety.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
815	995	+22	+180

#### 24. Ministry of Vocational Training and Employment

##### Operating Budget

The operating budget totals 29,681,000 dinars, compared to 27,842,000 dinars in 1992, for an increase of 6.6 percent. That increase is explained by the increased cost of adjustment operations as needed and for new measures.

Analysis of current expenditures reveals that nearly all of the operating budget (91.6 percent) is concerned with direct and indirect state intervention in the social and cultural areas (27,188,000 dinars, compared to 25,288,000 dinars in 1992).

The rest of the budget will be used to finance at least three items as follows:

1. Salaries (1,726,000 dinars compared to 1,742,000 dinars).
2. Equipment purchases and transportation costs (513,000 dinars compared to 540,000 dinars in 1992).
3. Management subsidies for supervised government enterprises (50,000 dinars compared to 147,000 dinars).

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
27,842	29,681	+6.6	+1,839

#### Equipment Budget

The equipment budget (direct investments) totals 230,000 dinars, compared to 324,000 dinars in 1992, for a decrease of 29 percent.

New projects totaling 210,000 dinars will be concerned with the acquisition of computer equipment (70,000 dinars) and vehicles (70,000 dinars). New projects will also be concerned with the women's training and retraining center in Siliana (60,000 dinars) and the promotion of training and employment (10,000 dinars).

The rest of the equipment budget will finance projects under way.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
324	230	-29	-94

#### 25. Ministry of Youth and Childhood

##### Operating Budget

Current expenditures have been set at 56,516,000 dinars, compared to 52,666,000 dinars in 1992. That increase of 7.3 percent is due to the increased cost of adjustment operations as needed and to new measures.

Analysis of the figures reveals a predominance of expenditures relative to salaries, which will total 40,356,000 dinars, or 71.4 percent of the operating budget.

The other expenditures are concerned with direct and indirect state intervention in the social and cultural areas, management subsidies for supervised government enterprises, equipment purchases, and transportation costs.

Current Expenditures (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
52,666	56,516	+7.3	+3,850

#### Equipment Budget

Direct investments are up by 15 percent and now total 17,630,000 dinars, compared to 15,302,000 dinars in 1992.

New projects total 12,465,000 dinars. That money will be used to carry out projects at the regional and national levels.

Regionally, the funds will pay for charges in connection with regional youth training centers, youth centers, cultural centers, and integrated centers for young people and children.

Direct Investment (1,000's of dinars [mD])			
		Change	
1992	1993	%	mD
15,302	17,630	+15.0	+2,328

Nationally, the funds will be used for studies, young people's centers, the furnishing of socio-educational institutions, the outfitting of stadiums, athletic equipment, sports arenas, and the outfitting of the national athletic village.

The rest of the equipment budget will be concerned with projects under way in connection with sports arenas, residence centers, regional youth training centers, and [text missing].

## REPUBLIC OF YEMEN

### Posuvalyuk Comments on Warmer Relations

93AE0477A London AL-HAYAH in Arabic 26 Apr 93  
p 5

[Article: "Moscow-Sanaa Political Contacts Resumed"]

[Text] A high-level Russian official said that Yemen and Russia have resumed direct political contacts after an interruption.

Viktor Posuvalyuk, general director of the Africa and Middle East Desk at the Russian Foreign Ministry, said that "Russia considers Yemen an important country in the Arab world and as far as the Horn of Africa is concerned."

Regarding political dialogue between the two countries, the Russian official, who made a four-day visit to Sanaa, said that he does not consider what has developed between the two countries tepidity, "but some sort of an interruption in direct political contacts. Now we are resuming them."

He declined to wade into the cause of the interruption, but he went on to add, "Let us look forward. I wish to stress that there will be new meetings and phases." He noted that in the wake of meetings he had with 'Ali Salim al-Bid, vice chairman of the Yemen Presidential Council; Dr. 'Abd-al-Karim al-Iryani, the foreign minister; Dr. 'Abd-al-'Aziz al-Dali, the minister of state for foreign affairs; and high-ranking Yemeni Foreign Ministry officials, he felt a "sincere desire to resume political dialogue with Russia, which has the same wish."

Posuvalyuk added that these meetings have shown that the issues that should be discussed by both sides "are broader than we imagine because there are numerous areas of bilateral relations, plus numerous regional issues." He pointed out that after a discussion on the chances of a settlement to the Middle East conflict, he felt Yemeni

appreciation for the role of Russia, which is a cosponsor of the peace negotiations. He also noted that Sanaa wishes to play a larger role in the Middle East and in the peace process, "and these are two things for which we aspire."

The Russian official added that his country is eager to see "good relations based on a good-neighbor policy" among the region's countries, adding, "Our position emanates from our being a major power and a neighbor of this important region whose countries we are tied to by traditional relations."

On revitalizing Russian-Yemeni relations and on whether Russian debts owed by Yemen represent an obstacle, Posuvalyuk said, "Politically, we feel that it is necessary to eliminate all obstacles that impede development of the bilateral relations, including the debt issue. We support continuing and revitalizing contacts in order to develop a solution to the complex debt issue, which is something that concerns us as much as it concerns the Yemeni side."

Asked if this period is appropriate for raising the debt issue, especially since Yemen is experiencing a difficult economic situation and if there are pragmatic solutions to reschedule the debts, he answered that he has sought in his visit to emphasize the political importance of settling the issue and of focusing the political dialogue between the two countries "because it constitutes a basis for opening the door to resumed cooperation in other areas." Posuvalyuk added that the "technical side of the issue falls within the jurisdiction of technical experts. As for economic difficulties, we are both experiencing them."

### Candidate Lists for 15 Governorates Announced

[Article by Hammud Munsir]

93AE0470A London AL-SHARQ AL-AWSAT in Arabic  
15 Apr 93 p 3

[Text] Sanaa—Two nights ago, the Higher Committee for Elections in Yemen began announcing the names of the nominees who qualify to run as candidates according to legal provisions of the general elections, which will be held 27 April. The first batch of candidate lists of candidates have been released in 10 governorates: Sanaa Municipality, Aden, Hadramawt, al-Mahwit, Lahij, Abyan, al-Bayda', Ma'rib, al-Maharah, and Shabwah. The processing of candidates' names in the remaining eight governorates is continuing. The number of candidates in the 10 governorates has reached 1,752 for 93 districts, which is less than one-third of the total number of electoral districts in Yemen.

The general total of candidates in the 301 districts is expected to reach 4,500 after the rest of the lists are announced.

Early yesterday, election committee sources expected the committee to complete the endorsement of candidates' names in the rest of the more populous governorates, such as Ta'izz, which has 43 districts; al-Hudaydah, which has 34 districts; Ibb, which has 38 districts; Dhamar, which

has 21 districts; Sanaa Governorate, which has 36 districts; and Hajjah, which has 20 districts, in addition to Sa'dah and al-Jawf.

The sources said Dhamar and Hajjah, unlike other governorates, are witnessing strong competition among party candidates. Candidates of the General People's Congress [GPC], the Yemeni Socialist Party [YSP], and the Yemeni Reform Grouping constitute the bulk of party candidates. But independents remain far more numerous than party candidates throughout all of the governorates.

The number of party candidates in the 10 governorates (i.e., 93 districts) is only 449 candidates, while the number of independents reached 1,303, which is a 3-to-1 ratio. The party candidates in these districts belong to the parties: the GPC, the YSP, the Yemeni Reform Grouping, Ba'th Party (the wing loyal to Iraq), the Nasirite Popular Unionist Organization, the League of the Sons of Yemen, and al-Haqq Party.

Some of the candidate names are haphazardly and oddly distributed among the Nasirite Reform Organization, the Nasirite Democratic Party, the September Party, the Liberation Front, and the Union of Popular Forces, in addition to other small parties.

It has been noted that the nomination of women is centered in the major cities, such as Sanaa and Aden, while no such nominations are listed in other governorates.

Candidates in these governorates include well-known political and official personalities, especially in a number of districts in Sanaa, Aden, Lahij, and Hadramawt, where scores of party and independent candidates are in the contest. Haydar Abu-Bakr al-'Attas has been nominated in District 161 in Hadramawt, running against 'Umar Bin-Salih al-Ju'aydi (Yemeni Reform Grouping) and Faysal 'Ali Muhammad al-'Attas (the GPC candidate). Faysal al-'Attas was governor of Hadramawt during the era of nationalization in the early 1970's.

In this district Haydar Abu-Bakr al-'Attas is also running against Nasir 'Awad Salih Badil (the League Party), and independent candidate 'Umar Salih Bin-'Afif. The number of voters in this district is 4,500. Sources that accompanied al-'Attas during his recent visit to Hadramawt predicted that he is certain to win in the coming elections in view of the size of the constituency and the nature of candidates running against him.

The list of candidates in Hadramawt include a number of well-known political and party personalities, such as Minister of Fish Resources Muhammad Jubran in District 182. He is competing against 19 candidates, including candidates from the GPC, the Yemeni Reform Grouping, al-Haqq Party, the League, and the Nasirite Unionist Party.

As for Sanaa Municipality, Minister of Communications Ahmad al-Anisi is among the most prominent personalities and is the GPC candidate in District 3 of old Sanaa. He is competing against 20 candidates, six of whom belong to parties. The most prominent among these competitors are the YSP and the Yemeni Reform Grouping candidates.

There is also 'Abd-al-Rahman Muhammad al-Akwa', deputy minister of information and member of the permanent committee. He is a candidate in District 8 and is competing against about 32 candidates, including six party members. Ahmad 'Abdallah al-Hajari, deputy minister of justice and also member of the permanent committee, is competing against 23 candidates, five of whom are party members, and the rest are independents.

'Abd-al-Wahhab al-Anisi, secretary general of the Yemeni Reform Grouping, is considered one of the most prominent political personalities running as a candidate in District 14 of Sanaa. He is competing against 31 candidates, including 11 party candidates. In 'Adrah, 'Umar al-Jawi, secretary general of the Yemeni Unionist Grouping, is one of the best-known political figures running as a candidate. He is facing 24 other candidates in District 21. Some of his most prominent rivals are Tawfiq 'Ali 'Uwayli, chairman of the GPC branch in Aden; Qasim 'Abd-al-Rabb 'Afif, of the YSP; and Suhayl 'Umar Ibrahim 'Aqiyah, of the Yemeni Reform Grouping, in addition to three candidates from two other small parties.

AL-SHARQ AL-AWSAT has learned that if 'Umar al-Jawi coordinates with the YSP and convinces it to withdraw its candidate and support him in this district, he will still not be able to get rid of Tawfiq 'Uwayli, the GPC candidate who will be a strong rival.

Anis Hasan Yahya, a member of the political bureau of the YSP and a candidate in District 25, is facing strong opponents, too. His opponents are Ahmad Muhammad al-Qu'tubi from the GPC, Salim Salih 'Umar from the Reform Grouping, and four other party members, in addition to 22 independent candidates. The large number of candidates (30) in this constituency threatens to disperse votes, thereby denying 'Ali Anis Yahya the opportunity to win unless he forges an alliance with other parties.

In Lahij, Minister of Housing and Urban Planning Muhammad Ahmad Sulayman is considered one leading members of the YSP. He is a candidate in District 80 and has nine opponents, including one from the GPC, one from the Reform Grouping, and another from the League. The rest are independents. Those who are familiar with the constituency setup and know the political and social influence that Sulayman can yield say that he will win the elections.

The list of candidate names endorsed so far reveals that there is a large number of personalities from the YSP, the GPC, and other parties who are running as independents. Party sources affirm that the preponderance of independent candidates is part of a tactic the parties have been using both internally (within the party itself) and externally (with the rest the other parties).

While it has been noted that the YSP and the GPC have no candidates in a number of districts in this governorate [not further identified], despite the fact that they can afford to nominate candidates to represent them, the list of candidates shows that there are partisan candidates running as independents or independent elements and enjoying the backing of the parties in the same constituency. Observers

explained this arrangement as part of the undisclosed agreement between the two parties concerning the coordination of the elections. They point to the large number of candidates in other districts throughout the country, where strong political figures from the opposition or strong independent candidates exist.

Opposition circles accuse the YSP of introducing the largest number of independent personalities or those claim to be party members in districts where it does not have strong candidates or has realized that it will not win in those constituencies. It does so with the aim of weakening the chances of opposition party members or independent candidates.

On the other hand, the newspaper AL-WAHDAWI, organ of the Nasirite Unionist Party, asserted the day before yesterday that the National Congress parties (the Nasirite Unionist, al-Haqq, the League, and the Union of Popular Forces) agreed among themselves last Friday to fight the parliamentary elections for the first time in the country, after having completed their coordination talks by agreeing on the constituencies they share throughout the country.

The paper said the gist of the agreement is as follows:

- In the constituencies where any of the parties of the National Congress candidates appear to be sure of winning, the rest of the National Congress parties will withdraw their candidate and support that candidate and consider him as the candidate of all the National Congress parties.
- In the constituencies in which there is one candidate for one of the National Congress parties and the rest of the parties have no candidates, such candidate will be deemed as the candidate of all the parties of the National Congress and all the parties shall support him.
- With regard to the constituencies where there is equal presence for all the National Congress parties and includes one independent candidate, all of the National Congress parties should concede to the independent candidate so as to enable him to win.
- The agreement also provides for determining the electoral constituencies that do not qualify under the previous condition to be joint constituencies shared by parties of the National Congress with the aim of establishing the political presence of every party separately.

The sources said it has been agreed to continue to hold joint meetings of the representatives of the National Congress parties in the coming days in order to classify the electoral constituencies in light of the agreement between them, and declaring the names of candidates on its basis. A joint statement is to be issued in this regard by the National Congress parties in the next few days.

### Committee Complains of Forged Ballots

93AE0477B London AL-HAYAH in Arabic 26 Apr 93 p 1

[Article: "Complaint of Failure to Establish Restrictions To Prevent Passing Out of Voting Cards"]

[Text] Sanaa—A group of the Yemeni Supreme Election Committee members have called for adopting further steps to "curtail the rumors about voting cards being passed out at some population centers, such as camps and factories."

In a statement issued by Muhammad Sa'id 'Abdallah (Muhsin), YSP [Yemeni Socialist Party] political bureau member, local government minister, and Supreme Elections Committee deputy chairman, the group said, "Rumors say that these cards will be marked with the names of certain candidates in advance and handed over to individuals to deposit them in ballot boxes." The statement said that Judge 'Abd-al-Karim al-'Arashi, the committee chairman, has turned down a proposal to establish restrictions to curb rumors.

Concluding, the statement says: "Therefore, out of our national duty to clarify the facts and to eliminate any doubts and conditions that could emanate from such doubts, we have decided to present the truth to our people so that they will be the judge and will have the final say."

### Candidates' Statistics by Party, Governorate

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[Article by Hamud Munsir]

[Text] Sanaa—Preparations for the Yemeni elections entered a new stage yesterday with the official announcement regarding launching the electoral campaign and allowing candidates and parties to use the official media up to 26 April, the day before the election.

Two days ago, the committee supervising the electoral process endorsed the final list of candidates. The list showed that there are 4,781 candidates competing for 301 seats, including 3,429 independent candidates and 1,352 candidates belonging to 19 parties and organizations. These parties and organizations including the General People's Congress [GPC], led by President 'Ali 'Abdallah Salih, with 290 candidates; the Yemeni Socialist Party [YSP], led by Vice President 'Ali Salim al-Bid, with 228 candidates; the Yemeni Reform Grouping Party, led by Shaykh 'Abdallah al-Ahmar, with 246 candidates; the pro-Iraq Socialist Arab Ba'th Party with 160 candidates; the Nasirite Popular Unionist Organization, with 96 candidates; the League of the Sons of Yemen, with 90 candidates; and the al-Haqq party, with 62 candidates.

The geographical distribution of candidates in the constituencies indicates that a tough contest is expected to take place between the seven parties in order to win the largest possible number of seats in parliament, especially the three principal parties, namely the GPC, the YSP, and the Reform Grouping. The Nasirite Unionist represents a strong competitor for the three parties in Ta'izz Governorate, while the al-Haqq Party is the strongest competitor by far in Sa'dah Governorate in the Yemeni far north, and the strongly influential League Party is the strongest competitor, with about 20 candidates, in Shabwah and Hadramawt Governorates, where it will face the GPC, the YSP, and the Reform Grouping. With regard to

the Ba'th Party, observers said that it has deliberately fielded the largest number possible of candidates but that their chances of winning are slim.

**Party and Independent Candidates in the General Parliamentary Elections**

Number	Governorate	Constituencies	Total Number of Candidates	Independents	Party Members	Women
1	Capital Municipality	18	481	365	116	17
2	Aden	11	326	253	73	20
3	Ta'izz	43	624	432	192	3
4	Abyan	8	148	108	40	—
5	Lahij	12	138	94	44	—
6	al-Hudaydah	34	314	202	112	3
7	Sanaa	36	628	474	154	—
8	Hajjah	23	316	197	119	—
9	Dhamar	21	364	267	97	—
10	al-Mahwit	8	107	73	34	—
11	Ibb	38	638	469	169	5
12	al-Bayda'	10	141	93	48	1
13	Hadramawt	17	238	172	66	—
14	Sa'dah	9	117	81	36	—
15	Shabwah	6	82	59	23	—
16	al-Jawf	2	46	34	12	—
17	Ma'rib	3	62	49	13	—
18	al-Maharah	2	11	7	4	—
	Total nationwide	301	4,781	3,429	1,352	49

Governorate	Yemeni Socialist Party	Yemeni Reform Grouping	Ba'th Party	Nasirite Unionist	League Party	General People's Congress	al-Haqq Party
Capital Municipality	18	17	18	8	7	7	9
Aden	9	8	11	7	7	5	—
Ta'izz	42	31	33	28	33	4	2
Abyan	8	8	6	2	5	6	—
Lahij	10	8	9	3	3	7	—
al-Hudaydah	33	12	28	14	10	6	1
Sanaa	33	22	28	22	7	2	13
Hajjah	23	20	20	15	6	12	9
Dhamar	21	20	18	14	3	6	7
al-Mahwit	8	7	8	5	—	3	1
Ibb	38	33	34	22	9	9	7
al-Bayda'	10	9	5	6	2	3	2
Hadramawt	16	13	16	2	1	13	1
Sa'dah	8	7	5	6	1	—	9
Shabwah	6	6	3	1	—	6	—
al-Jawf	2	2	2	2	1	1	1
Ma'rib	3	3	2	3	1	—	—
al-Maharah	2	2	—	—	—	—	—
Total nationwide	290	228	246	160	96	90	62

Governorate	Reformist Nasirite	Nasirite Democratic	Union of People's Force	Liberation Front Party	National Democratic Front	Yemeni Unionist Grouping	September Organization
Capital Municipality	9	1	3	3	—	3	5
Aden	2	5	—	9	—	5	—
Ta'izz	3	10	—	2	2	—	—
Abyan	—	—	1	2	—	1	—
Lahij	—	—	—	4	—	—	—
al-Hudaydah	1	2	1	—	4	—	—
Sanaa	5	—	9	—	4	2	3
Hajjah	3	2	5	—	3	—	—
Dhamar	2	1	3	—	2	—	—
al-Mahwit	—	1	—	—	—	—	1
Ibb	10	2	—	—	2	2	—
al-Bayda'	—	2	2	—	5	2	—
Hadramawt	—	—	—	4	—	—	—
Sa'dah	—	—	—	—	—	—	—
Shabwah	—	—	1	—	—	—	—
al-Jawf	—	—	—	—	1	—	—
Ma'rib	—	—	1	—	—	—	—
al-Maharah	—	—	—	—	—	—	—
Total nationwide	35	26	26	24	23	15	9

Governorate	Popular Organization of the Liberation Front	National Social Party	Legitimate League	Revolutionary Democratic Party	National Cohesion	Democratic Movement	Democratic Front
Capital Municipality	2	3	2	—	1	—	—
Aden	4	—	—	—	—	1	—
Ta'izz	1	1	—	—	—	—	—
Abyan	1	—	—	—	—	—	—
Lahij	—	—	—	—	—	—	—
al-Hudaydah	—	—	—	—	—	—	—
Sanaa	—	1	—	2	—	—	1
Hajjah	—	—	1	—	—	—	—
Dhamar	—	—	—	—	—	—	—
al-Mahwit	—	—	—	—	—	—	—
Ibb	—	1	—	—	—	—	—
al-Bayda'	—	—	—	—	—	—	—
Hadramawt	—	—	—	—	—	—	—
Sa'dah	—	—	—	—	—	—	—
Shabwah	—	—	—	—	—	—	—
al-Jawf	—	—	—	—	—	—	—
Ma'rib	—	—	—	—	—	—	—
al-Maharah	—	—	—	—	—	—	—
Total nationwide	8	6	3	2	1	1	1



While the names of candidates are being successively announced by the election committee, preparations are under way to launch the electoral campaign on all levels, including the official media, which will give all of the parties equal time over nine successive days to broadcast their election programs and show their candidates. But some parties have been unable to present the required number of candidates that would qualify them to launch an election campaign. These are the democratic September Organization, which is represented in the Higher Committee for Elections; the Popular Organization of the Liberation Front, which has nine candidates; the Social National Party, with three candidates; the Revolutionary Democratic Party, with three candidates; the National Cohesion, the Democratic Movement, and the United Democratic Front, with one candidate each.

But six other parties will have the right to campaign for their programs and candidates in the official media in accordance with the election law. These parties have fielded 15 candidates. They are: the Nasirite Reformist Party, with 35 candidates; the Nasirite Democratic Party, with 26 candidates; the Union of Popular Forces, with 26 candidates; the National Democratic Front, with 23 candidates; the Unionist Grouping Party, with 23 candidates; and the Yemeni Unionist Grouping, led by 'Umar al-Jawi, with 15 candidates.

It is observed however that names of several parties are absent from the list of candidates. Foremost among the absent parties are the Constitutional Liberal Party, whose secretary general, 'Abd-al-Rahman Ahmad Muhammad Ni'man, decided to fight the election battle as an independent in District 63 in Ta'izz Governorate. He is competing in this district with 24 candidates, including Minister of Youth and Sports Muhammad Ahmad al-Kabab, who is considered to be a strong candidate. But sources close to Ni'man said that he enjoys the support and backing of the YSP. As for Shaykh Muhammad 'Ali Abu-Luhum, the

chairman of the Republican Party is running as an independent candidate in the District 250 in Fahm, Sanaa Governorate. Also, Shaykh Sadiq 'Abdallah, the son of the leader of the Reform Grouping is running as an independent candidate in District 225, although he used to be secretary general of the Republican Party.

Despite what is being said about coordination between the GPC and the Yemeni Reform Grouping, competition between certain districts is going to be stiff. The Yemeni Reform Grouping will compete strongly with the YSP in more than 180 districts, in addition to the independent candidates that the parties have fielded in scores of districts. Shaykh 'Abdallah Bin-Husayn al-Ahmar is preparing to enter the election battle in the hope of winning the parliament's speakership. Both he and his two sons, Sadiq and Hamid, stood candidates in three different districts. Shaykh 'Abdallah is standing candidate in the District 227 in Khamr area in Sanaa Governorate, Sadiq in the District 225, and Hamid in District 280. They are representing the Reform Grouping.

Well-informed political sources expect the competition for the parliamentary speakership to be between Shaykh 'Abdallah and Prime Minister Haydar al-'Attas about whom it was said recently that he will exchange posts with Dr. Yasin Sa'id Ni'man.

It is worth noting that women have been remarkably present in the elections, with the number of candidates reaching 49, of whom 13 are political party candidates, and the rest independents. The largest number of women recorded was 20 in Aden and 113 [figure as published] in Sanaa Municipality. The rest are in the Governorates of Ta'izz, Ibb, al-Hudaydah, and al-Bayda'.

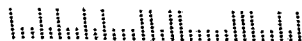
Sources in the elections committee said that if coordination is worked out or real alliances are struck between the parties taking part in the elections, many candidates will withdraw in the next few days.

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